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HOUSE OF COMMONS

Monday, February 17, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

EGG MARKETING

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

On the order: Motions:

December 17, 1974—Mr. McGrath—The following proposed motion:

That the first report of the Special Committee on Egg Marketing presented to the House on Monday, December 16, 1974, be concurred in.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I believe it is the wish of hon. members on all sides of the House that this motion be taken under consideration as the first order of business under orders of the day.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

* * *

[*Translation*]

HOUSE OF COMMONS

SUGGESTED COMMITTEE STUDY OF STANDING ORDERS 43 AND 28—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, since the House gave unanimous consent authorizing the hon. member for St. John's East (Mr. McGrath) to present his motion under the terms of Standing Order 43, I request unanimous consent of the House to present a motion of extreme urgency since it relates to the application of Standing Orders 43 and 28.

Considering that, under the terms of Standing Order 43, any member can request the unanimous consent of the House to present a motion dealing with an urgent matter and that, on the other hand, under Standing Order 28 any member who wishes to speak must rise in his place and address the Speaker designating him by his title, though it may be only to oppose the unanimity required under Standing Order 43, and that I have already pointed out this matter to Your Honour whereupon Your Honour said the ruling would be given later on in this regard, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House study without delay whether Standing Order 28 should apply even in the case of a motion presented under Standing Order 43, and that those two standing orders be deferred to the standing committee of the House for study and report.

Mr. Speaker: The House has heard the motion of the hon. member. Under the terms of Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

● (1410)

[*English*]

BROTHERHOOD WEEK

PROPOSED EVENING OF FELLOWSHIP FOR MEMBERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I would like to raise a matter of urgent and pressing necessity inasmuch as the Prime Minister (Mr. Trudeau), the provincial premiers, the mayor of Ottawa and numerous mayors across Canada have proclaimed the week of February 16, as Brotherhood Week, I would move, seconded by the hon. member for Ottawa West (Mr. Francis):

That all hon. members gather in the railway committee room on Thursday, February 20, during the evening for fellowship across the Canadian cultural barriers in Brotherhood under the Fatherhood of God and, furthermore inasmuch as Mrs. Betty Kennedy is the national chairman for Brotherhood Week during this International Women's Year, that an especially cordial invitation be extended to the sisterhood in this hon. House, realizing that in fellowship with the distaff side of the human family is the only basis for lasting brotherhood.

Mr. Speaker: Order, please. With all due respect to the hon. member who proposed his motion pursuant to Standing Order 43, partly out of a strict adherence to the rules regarding urgent and pressing necessity and partly, I must confess out of a desire not to put any hon. members of the House into the embarrassing position of withholding their consent for discussion of such an important topic, I would have to find that despite the extreme importance and interest of the matter to all members of the House and, I am sure, unanimous support of the idea, that I will withhold, in my discretion, putting it to the House because of the absence of the element of urgent and pressing necessity.

Alberta Representation

HOUSE OF COMMONS

PROPOSED CHANGES IN PROCEDURE FOR ORAL QUESTION PERIOD—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to ask permission of the House to present a motion under Standing Order 43. In view of the urgent and pressing necessity for adequate opportunity for backbench members of the House to raise matters of importance during the daily question period, and in view of the fact that the present length of the question period does not adequately permit this, I therefore move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

That immediate consideration should be given to lengthening the daily question period to one hour and furthermore consideration should also be given to designating two days per week on which 20 minutes of the one hour question period be reserved exclusively for members of the House who are not designated opposition critics and who do not sit on the front bench.

Mr. Speaker: Order, please. The hon. member raises a question of extreme importance and interest to all members of the House I am sure. A review of the procedures of the House, in so far as they relate to any opportunity any member may have, to put his views forward could be extremely important and of great interest. It is a matter of constant concern to all members, but I think in fairness the motion lacks the element of urgency or emergency which is contemplated by the rule.

* * *

FEDERAL-PROVINCIAL RELATIONS

PRIME MINISTER'S APPOINTMENT OF REPRESENTATIVE OF ALBERTA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise to propose a motion under Standing Order 43 on a matter of urgent and pressing necessity. This matter concerns the ill-considered actions of the Prime Minister (Mr. Trudeau) in appointing a member from the other place to represent without mandate the people of the province of Alberta. To deny a province its rightful channel of representation by election is obviously serious.

In recent days, however, the issue has developed to a state of urgency. May I remind this House that we are in a period of extremely tender federal-provincial relations. Nevertheless, the member from the other place who was appointed by the Prime Minister to act as a spokesman for the province of Alberta, has displayed incredibly weak judgment by making ridiculous and false statements in public about Albertans and the Alberta government. As an example, the pseudo representative has made statements such as the following—

Some hon. Members: Order, order!

Mr. Speaker: Order, please. I am persuaded by the hon. member that his motion has an element of urgent and pressing necessity. Perhaps he would like to put it to the House.

[Mr. Speaker.]

Mr. Malone: I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That the Prime Minister repeal his appointment of the member from the other place as a spokesman for the province of Alberta, or alternatively, that he appoint him to a cabinet position so that he may be held responsible for his outlandish and false statements.

Mr. Speaker: The House has heard the terms of the motion being proposed. Pursuant to Standing Order 43, it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

* * *

NORTHWEST TERRITORIES REPRESENTATION ACT

MEASURE TO INCREASE REPRESENTATION AND ESTABLISH A COMMISSION TO READJUST ELECTORAL BOUNDARIES

Hon. Mitchell Sharp (President of the Privy Council) moved for leave to introduce Bill C-51, to increase the representation of the Northwest Territories in the House of Commons and to establish a commission to readjust the electoral boundaries of the Northwest Territories.

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

* * *

STATUTE LAW (SUPERANNUATION) AMENDMENT ACT

MEASURE TO AMEND VARIOUS STATUTES TO PROVIDE FOR CHANGES IN PENSION CONTRIBUTIONS, BENEFITS, ETC.

Hon. Jean Chrétien (President of Treasury Board) moved for leave to introduce Bill C-52, to amend the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Defence Services Pension Continuation Act, the Royal Canadian Mounted Police Superannuation Act, the Royal Canadian Mounted Police Pension Continuation Act, the Diplomatic Service (Special) Superannuation Act, the Members of Parliament Retiring Allowances Act, the Governor General's Retiring Annuity Act, the Judges Act, the Tax Review Board Act and the Supplementary Retirement Benefits Act.

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

* * *

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

ORDER OF REFERENCE TO STANDING COMMITTEE

On the Order: Government notices of motions:

February 13, 1975—The President of the Privy Council:

That the Standing Committee on External Affairs and National Defence be empowered to hear evidence on and to consider Canadian policy with respect to the question of continuing defence cooperation with the United States and in particular the future of the North American Air Defence agreement (NORAD); and

That the Standing Committee on External Affairs and National Defence be empowered to hear reports from Canadian delegations which have met with delegations from foreign parliaments or attended inter-parliamentary assemblies.

Mr. Speaker: Order, please. Pursuant to section 2 of Standing Order 21, this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the House.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 348, 361, 450, 465, 550, 780, 819, 871, 1,141, 1,153, 1,207, 1,213, 1,267, 1,284, 1,296, 1,348 and 1,349.

If questions Nos. 156, 276, 715 and 1,360 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred questions Nos. 1,098 and 1,121?

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

[*Text*]

MOVEMENT OF GRAIN

Question No. 348—**Mr. Gillies:**

1. (a) Over how many "off-main-line" trackage miles is grain normally moved (b) over how many of these trackage miles can a fully loaded hopper car move, with due regard for elevator loading clearances, track loading limits, etc. (c) over how many miles for a 3/4 and for a half loaded car respectively (d) when trackage is subject to safe load limits, can the loaded weight of the hopper car be accurately assessed, to avoid dangerous overloading?

2. (a) Allowing for routine maintenance, how many car-days should these cars be expected to deliver over a normal season (b) how many car-days did they operate (c) on the average, how many cars would be sitting idle (i.e. not moving, not loading, not unloading) on a typical shipping day (d) for what reason would these cars be sitting idle?

3. (a) For how many car-days were some of these cars diverted from moving prairie grain (b) what was the maximum number of cars diverted (c) what was the per diem rate (d) how much per diem rental was collected and what happened to it (e) what were the diversion dates?

4. (a) For the in-service period of these cars, how many tons of wheat were moved (b) how many tons did these cars move (c) how many tons were moved by other cars (d) what are the comparable figures for all other grains (e) by best estimate, how many tons of wheat will have to be moved during each of the next five seasons (f) how many of these tons will move by other cars (g) how many tons will move via the 2,000 hopper cars (h) on a car-day basis, what per cent utilization will these 2,000 cars experience, by season?

Order Paper Questions

Hon. Otto E. Lang (Minister of Justice): 1. (a) "Off-main-line" trackage: CN 2,529 miles, 263,000 maximum; 1,775 miles, 220,000 maximum; 3,752 miles, 177,000 maximum; CP Rail 1,852 miles, 263,000 maximum; 3,800 miles, 220,000 maximum; 135 miles, 177,000 maximum. (b) CN 2,529 miles: CP Rail 1,852 miles; (c) Three quarter: CN 4,304 miles; CP Rail 5,652 miles; Half, CN 8,056 miles; CP Rail 5,787 miles; (d) No. Strict control is exercised by the railways in placing hopper cars to avoid exceeding branch line track load limits. Weights shown on railway way-bills can be in error. Official weights are determined on out turn at terminal grain elevators.

2. (a) The railways have advised that routine maintenance should not exceed 10 to 15 days per year. (b) Cars have been in service full time; (c) None, except for normal detention awaiting unloading and dispatch through classification terminals and junction points; (d) see (c) above.

3. (a) None. The cars are restricted to grain service; (b) A total of 834 cars have been diverted to the handling of Prairie grain east or Thunder Bay to and including movements to the St. Lawrence and Atlantic Ports; (c) $7.50 per car day while assigned east of Thunder Bay; (d) $415,793 collected by the Canadian Wheat Board payable to the Receiver General covering 55,439 car days assigned east of Thunder Bay; (e) January-April 1974.

4. (a) Canadian National advises that a total of 19,874,000 tons of all grain were moved between December 1972 and September 1974; CP Rail advises that a total of 21,441,100 tons of all grain were moved between the period January 1973 and June 1974; (b) CN 2,827,000 tons of a) above; CP Rail 2,783,800 tons of a) above; (c) CN 17,047,000 tons; CP Rail 18,657,300 tons; (d) A breakdown by grain is not available; (e) Estimates are not available; (f) Not available; (g) Not available; (h) Not available.

DEPARTMENT OF NATIONAL DEFENCE—TRANSLATION OF ALL FORMS

Question No. 361—**Mr. McKenzie:**

1. Is it the intention of DND to have all its existing documents, such as technical publications and forms, etc., relating to all military equipment, ground, air and sea, defence headquarters and military base stationery, etc., translated and printed in French and, if not, which forms or documents will be?

2. Is a programme to have all the above-mentioned printed in French now in progress and, if so, on what date will it be completed?

3. Will all existing documents in military colleges and training schools be translated and printed in French?

4. Will any new documents, technical publications and forms, etc., be ordered in both French and English?

5. What will the total cost be to translate and print all existing DND documents, technical publications and forms, etc., (including military colleges, training schools, air, land and sea divisions) in French?

6. What is the projected increased cost to order any new Department of National Defence documents, etc., in English and French?

Hon. James Richardson (Minister of National Defence): 1. The policy of the Department is to provide in bilingual format all orders, directives, instructions, form notices, information letters and bulletins and documents intended for other than local use, plus all manuals including general and technical publications. Local orders, recreational facilities are printed in the language of the unit or formation. Exceptions are that in the National

Capital Region, and other locations in which there is a significant number of military personnel of both language groups, they are printed in bilingual format.

2. Translation into French and printing in bilingual format has been in process for a number of years and is continuing. Except for technical publications the backlog should be eliminated in a very few years. The pace of translation of technical publications will be geared to the availability of translators having the necessary technical experience.

3. Yes.

4. Yes.

5. The total cost of the program cannot be estimated with any degree of accuracy at this time due to the long time frame.

6. It is estimated that it costs 40 per cent more to publish documents in bilingual format than in a single language.

AIRCRAFT—CHARTER OF 707'S

Question No. 450—**Mr. Neil:**

Has the Department of National Defence chartered any PWA Boeing 707 aircraft to carry freight to Europe and/or the Middle East from January 1, 1974 to the date this question is answered and, if so (a) what was the number of charters contracted for (b) what was the destination of each charter (c) what was the total cost of these charters (d) for what reason were DND aircraft not used?

Hon. James Richardson (Minister of National Defence): Yes: (a) Three; (b) all three operated to Lahr, Germany; (c) $32,400; (d) DND aircraft were fully committed to higher priority activity.

NATIONAL DEFENCE—TRAINING COSTS

Question No. 465—**Mr. Forrestall:**

1. What is the current cost to the public for training to operational proficiency a (a) transport pilot (b) combat pilot (c) radio navigator (d) dentist (e) medical officer (f) lawyer (g) tank driver (h) long range pilot (i) marine engineer (j) construction engineer (k) computer programmer (l) ship's captain?

2. What were the training costs to the public for each category in 1963 and 1967?

Hon. James Richardson (Minister of National Defence): 1. The cost of training the following trades and professions for 1974 is as follows excluding pay to the students: (a) and (h). Transport Pilot and long-range pilot, $270,648; (b) Combat pilot, $301,668; (c) Radio Navigator, $89,054; (d) Dentist, $10,980*; (e) Medical Officer, $6,102*; (f) Lawyers are usually recruited following qualification and admission to the bar. The only training costs involved are those common to all officer classifications such as recruiting and officer cadet school costs, these total $5,446; (g) Tank Driver, $12,993; (i) Marine Engineer, $16,400*; (j) Construction Engineer, $18,881*; (k) Computer Programmer, 25,628*.

(l) The training of ship's captain cannot be accurately costed as appointment is based on experience and merit following junior officer training.

2. The training costs to DND for each category in the years 1963 and 1967, where available, are as follows:

Category	1963 $	1967 $
Transport and long-range pilot	82,400	94,500
Combat pilot	82,400	99,000
Radio navigator	54,600	69,900
Dentist	Not available	3,500
Medical Officer	Not available	3,500
Lawyer	Not available	3,500
Tank Driver	Not available	Not available
Marine Engineer	Not available	Not available
Construction Engineer	7,500	Not available
Computer Programmer	12,000	Not available
Ship's Captain	Not applicable	Not applicable

* These costs include only DND disbursement and do not include any federal contributions and grants to post secondary educational institutions.

[Mr. Richardson.]

TOTAL VALUE OF OLYMPIC STAMPS SOLD AS OF OCTOBER 1

Question No. 550—**Mr. Jelinek:**

1. What was the total value of Olympic stamps sold as of October 1?

2. What was the total cost of producing such stamps sold as of October 1?

3. What payments were made to COJO as of October 1 from Olympic stamp sales?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. $1,630,277.

2. $375,952 in manufacturing costs only, exclusive of other costs.

3. $225,000 has been transferred to the Olympic account of the Department of Finance.

PAYMENT TO SCULPTORS FOR STATUES OF CANADIAN STATESMEN

Question No. 780—**Mr. Diefenbaker:**

What was the total amount paid to the sculptors, with respective names and addresses, who produced (a) the statue of the Rt. Hon. Arthur Meighen (b) the statue of the Rt. Hon. Louis St. Laurent (c) the design proposal of the statue of the Rt. Hon. R. B. Bennett?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Public Words and the Secretary of State as follows: Amount paid to sculptors was as follows: (a) Marcel Braitstein, P.O. Box 1238, Sackville, N.B. $48,000; (b) Eleck Imredy, 2132 Yew Street, Vancouver, B.C. $56,000. These payments were made through the Working Capital Advance and the costs recovered from the Secretary of State Department. (c) The Department of the Secretary of State paid $2,800 to Elford Cos, Willowdale, Ontario, to produce a maquette.

NUMBER OF EMPLOYEES AT COTC AND AGGREGATE SALARIES FOR 1968-74

Question No. 819—Mr. Stevens:

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by the Canadian Overseas Telecommunication Corporation (b) what would have been their aggregate salaries if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Corporation?

Hon. Gérard Pelletier (Minister of Communications): The management of the Canadian Overseas Telecommunication Corporation advised as follows: 1.

(a)	1968	723		
	1970	695		
	1972	752		
	1974	825		
(b)	1968	$ 5,224,800		
	1970	$ 7,104,451		
	1972	$ 8,178,945		
	1974	$12,338,055		
(c)		$20,000	$35,000	$50,000
	1968	4	—	—
	1970	9	1	—
	1972	12	3	—
	1974	34	2	—
2.	1968	$30,000/$32,000	1 employee	
		$25,000/$30,000	3 employees	
		$19,000/$21,000	2 employees	
	1970	$32,000/$36,000	1 employee	
		$30,000/$32,000	3 employees	
		$24,000/$25,000	2 employees	
	1972	$40,000/$41,000	1 employee	
		$35,000/$36,000	2 employees	
		$28,000/$29,000	2 employees	
	1974	$46,000/$47,000	1 employee	
		$40,000/$41,000	1 employee	
		$34,000/$35,000	1 employee	
		$33,000/$34,000	1 employee	
		$32,000/$33,000	3 employees	

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—TRANSLATION OF DOCUMENTS

Question No. 871—Mr. McKenzie:

1. What documents of any and all description (such as any type of form, records, stationery, employee directives, etc.) within the entire Department of National Health and Welfare have to be translated into the French language?

2. Retroactive to what date will all past records of the Department have to be translated?

3. At what date must all of these translations be completed?

4. What amount of money was spent in the years 1973 and 1974 for translating such documents?

5. What will be the total cost of translating all existing documents, forms, stationery, records, etc. within the Department's entire operation?

6. What is the total additional yearly cost of ordering all new forms, stationery, etc. in two languages compared to the cost in one language?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of National Health and Welfare and the Secretary of State as follows: 1. As of November 20, 1974, it is estimated that 10,700 pages of forms and directives remain to be translated.

2. Not applicable. Past records are not translated.

3. These translations will be completed at the earliest possible date.

4. It is difficult to provide a precise answer to the question in terms of the Department of National Health and Welfare, since, in order to achieve greater efficiency, the Government of Canada has consolidated all translation, interpretation and terminology services under a single administration, designed to serve all departments and public bodies which depend on them. Costs are not apportioned according to the types of activities mentioned above. However, the total demand for translation as represented by the number of words is available for the years 1972-1973 and 1973-1974. The production in words for 1972-1973 was 4,291,663; for 1973-1974 it was 5,048,963. On the basis of an analysis of operating costs for the Translation Bureau, the total operating costs are estimated at about ten cents per word for the two years in question.

5. It is estimated that the cost of translating these documents will amount to $131,000.

6. There is no additional ordering cost.

*AIR CANADA—OCCURRENCES OF DEPRESSURIZATION

Question No. 1,098—Mr. McKenzie:

1. How many occurrences of accidental or emergency depressurization that required an aircraft to decrease altitude in order to regain cabin atmospheric pressure were there on Air Canada passenger flights at home and abroad in 1973 and 1974?

2. In how many of these instances (a) did the oxygen masks fail to be presented to all passengers (b) was oxygen not supplied to all passengers?

3. How do the above figures compare to the airline industry average for the same time period?

4. What steps have been taken recently to decrease the number of such instances?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, as the answer to this question is somewhat long, I wonder if it would be permissible to have it printed in *Hansard* as if it had been answered.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: Answer above referred to reads as follows:*]

The management of Air Canada advises as follows: 1 and 2. Air Canada operates some 200,000 total flight legs a year. In 1973 it experienced 13 pressurization problems and 11 in 1974. In both years oxygen masks were presented for passengers on three occasions. In all cases, oxygen was

supplied in a normal manner, within the design tolerances of the system as established by the aircraft manufacturer. Emergency oxygen systems are designed to start operating when cabin differential pressure reaches a pre-determined value. At that time, panels covering oxygen masks open and passengers are expected to take them from the storage compartment and pull the attached line to start the flow of oxygen. Full instructions on the use of this system are given to all passengers by cabin personnel prior to each flight departure. In some cases, aircraft pressure differential setting and the flow control regulators, while within manufacturer's tolerances, may present or make the masks available at different times. In all checks run by Air Canada, systems have operated within the established design tolerances. There can also be instances where, at varying cabin altitudes, the flow of oxygen may be altered, since a smaller volume is required at lower altitudes. Again, during all checks, oxygen flows have been within manufacturers tolerances.

3. The data available for industry comparison is based only on information reported to the manufacturer by operators, and it is inadequate for comparison. However, Air Canada has held discussions with other operators and manufacturers, and these confirm that Air Canada's operations compare favourably with current industry experience.

4. Industry experience has shown that the design of the pressure system on the DC-9 is somewhat more critical than on other aircraft. As a result, a special meeting was held by the Douglas Corporation in October, 1974 to discuss DC-9 pressure control. Air Canada attended with 11 other airlines and the U.S. navy. Following the meeting, Douglas published a recommended list of 23 modifications of which Air Canada has actioned 22. The remaining item dealt with a switch location which has not been a problem in Air Canada's history.

*NATIONAL DEFENCE—ARMOURED VEHICLES

Question No. 1,121—**Mr. MacKay:**

1. Has the Department of National Defence conducted studies to determine the choice of armoured vehicles to replace the Centurion tanks now used as the main component of our armoured regiments?

2. Has consideration been given to purchasing (a) the British Chieftain (b) the German Leopard (c) the American M-60?

3. Has the Department made inquiries as to the possibility of leasing tanks and, if so, what governments were consulted and what were the terms?

4. What were the advantages and disadvantages of each type of tank considered (a) the Chieftain (b) the Leopard (c) the M-60 (d) others?

5. Have plans been completed to acquire new tanks and, if so, on what date will they be delivered to the various armoured units across Canada and overseas?

6. How many tanks will be acquired?

7. What is the expected cost of the programme?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is as follows: 1. The Department of National Defence maintains current information and detail specifications on several types of armoured vehicles.

2. (a), (b) and (c). The characteristics and capabilities of all three tanks have been studied and are well known to the department.

[Mr. Speaker.]

3. The department has not made any formal inquiries about the possibility of leasing tanks but one firm has made an informal proposal to Canada to lease tanks to the Canadian forces.

4. Each tank has some specific advantages over the others in terms of relative cost, size, weight, range and availability. However, these relative advantages and disadvantages are NATO classified information.

5. No.

6 and 7. Not applicable.

UIC—BENEFITS TO SLOCAN VALLEY COMMUNITY LIBRARY

Question No. 1,141—**Mr. Brisco:**

1. Did any employees of the Slocan Valley Community Library pay into the Unemployment Insurance Commission or had pay deductions made to the UIC in order that they could qualify for UIC benefits in the years 1972, 1973 and 1974?

2. Have any employees of the Slocan Valley Community Library ever received UIC benefits on the basis of their employment at this library during the years 1972, 1973 and 1974?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Employees of the Slocan Valley Community Library (the correct name of this organization is Community Learning Unlimited) paid unemployment insurance premiums during 1973 and 1974, since they were working in insurable employment, as defined by the Department of National Revenue/Taxation.

2. At various times during 1973 and 1974, 12 persons qualified for and received unemployment insurance benefits.

AIR CANADA—APPLICATIONS FOR STEWARDS AND STEWARDESSES

Question No. 1,153—**Mr. Marshall:**

How many applications for positions as stewards and stewardesses were received by Air Canada in the years 1970 to 1974 from persons whose stated home address was (a) Newfoundland (b) Prince Edward Island (c) New Brunswick (d) Nova Scotia (e) Quebec (f) Ontario and, in each case, how many were accepted?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: Accurate records, indicating the number of applications received by Air Canada for positions as flight attendants, or records with any real degree of validity, are not available for the years prior to 1973. However, since the beginning of 1973, a complete account of all applicants interviewed—which represents those whose qualifications met basic minimum requirements—has been maintained. Application forms from those whose qualifications are not up to minimum standards set by Air Canada are returned with appropriate explanations. Following are statistics related to the years 1973 and 1974.

	Number of Applicants Interviewed		Number Hired	
	1973	1974	1973	1974
(a) Newfoundland	66	63	2	0
(b) Prince Edward Island	15	10	1	0

	Number of Applicants Interviewed		Number Hired	
	1973	1974	1973	1974
(c) New Brunswick	225	60	1	5
(d) Nova Scotia	103	191	7	0
(e) Quebec	2304	3008	422	210
(f) Ontario	3840	2742	250	149

APPLICATIONS FOR CANADA PENSION PLAN DISABILITY PENSIONS

Question No. 1,207—**Mr. Wise:**

1. How many applications were received by the government for Canada Pension Plan disability pensions for each year 1972 and 1973 and, of these, how many were approved?

2. (a) How many people received disability pensions for each year (b) what was the average amount received?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Disability pension applications received by Canada Pension Plan Head office: 1972, 18,009; 1973, 19,126; Approvals: 1972, 72.7% or 13,273; 1973, 72.8% or 13,924.

2. (a) Disability Recipients*: 1972, 19,330 (December); 1973, 29,636 (December); (b) Average monthly payment: 1972, $92.11; 1973, $93,75.

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*Excluded are those who were beneficiaries sometime during these years but who were no longer beneficiaries in December and those who may have received retroactive payment at this time.

CNR—NOISE LEVEL STUDIES

Question No. 1,213—**Mr. Huntington:**

Will the Department of Transport release the noise level studies arranged through the Department of the Environment, for the Canadian National Railway, pertaining to noise levels resulting from rail and waterfront activity in the City and District of North Vancouver and, if the study is not available, for what reason?

Hon. Jean Marchand (Minister of Transport): The study referred to in the question is a private one conducted by Canadian National for their internal use. The Ministry of Transport did not participate in the study and does not propose to release the study results.

CANADIAN PACIFIC AIRLINES—SERVICE TO SASKATOON AND REGINA

Question No. 1,267—**Mr. Hnatyshyn:**

1. Is the government committed to allowing Canadian Pacific Airlines rights to serving Saskatoon and Regina in Saskatchewan for domestic and/or international flights?

2. Has Canadian Pacific Airlines made application to serve Saskatoon or Regina for domestic and/or international flights?

Hon. Jean Marchand (Minister of Transport): The Canadian Transport Commission advises as follows: 1. No.

2. No.

SUGGESTED AMENDMENT TO WAR VETERANS ALLOWANCE ACT

Question No. 1,284—**Mr. Hnatyshyn:**

Is the government giving consideration to an amendment to the War Veterans Allowance Act to provide for the payment of pension at married rates following a pensioner's divorce so long as the pensioner is compelled by court order to pay maintenance to the former spouse and/or the pensioner's children?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): No consideration is being given to amend the War Veterans Allowance Act to provide the payment of married rate following a recipient's divorce. Married rate is not paid to a recipient of an allowance if he or she is divorced as his or her spouse is no longer recognized for allowance purposes. With respect to dependent children, married rate may be authorized on behalf of the first child and additional allowance may be paid for each dependent child provided the child is a "dependent child" as specified in the Act.

CABINET MINISTERS—EXCHANGE OF GIFTS WHEN ATTENDING MEETINGS OUTSIDE CANADA

Question No. 1,296—**Mr. Coates:**

1. Has it been the practice of Cabinet Ministers to exchange gifts when attending meetings outside Canada on government business and, if so, is this a usual practice or one that only relates to specific visits and, in either case, have there been occasions when this has occurred and what are the names of the Cabinet Ministers who have been involved in such gift exchanges?

2. In each instance (a) was the gift received by the Cabinet Minister considered his own property or the property of the country (b) was the gift made to a foreign dignitary paid for by the Cabinet Minister in question or the government (c) what were the gifts exchanged?

3. Have there been any occasions where a Cabinet Minister visiting outside of Canada received a gift from a foreign government where there was no exchange of such gifts and, in these instances, was the gift retained by the Cabinet Minister or did it become government property and, in cases where this has happened, what was the specific item received?

Hon. Mitchell Sharp (President of the Privy Council): There is no policy for exchanging gifts. On certain occasions, such as official visits when they are guests of another country, Ministers have presented gifts to their hosts on behalf of the Government of Canada. Sometimes the host has presented a gift to the visiting Canadian Ministers. The same general situation prevails when dignitaries from other countries visit Canada officially and are guests of the Government of Canada. The gifts selected for presentation to hosts abroad or to visitors to Canada have been of a personal nature intended to be retained by them as a souvenir of the occasion and of Canada. Enquiries among Ministers indicate that the gifts they have received have been of the same character, i.e. personal and intended as a souvenir of the occasion and of the country of the donor.

SALES TAX REDUCTION ON BUILDING MATERIALS

Question No. 1,348—**Mr. Robinson:**

In what way will the government ensure that the 5 per cent sales tax reduction on building materials will be passed on to the consumer?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation that the answer to this question was contained in the answer to Question No. 1,191, which may be found in Hansard, January 29, 1975, page 2714.

PERCENTAGE OF BUILDING MATERIAL SALES TAX DERIVED FROM RESIDENTIAL CONSTRUCTION AND FROM NON-RESIDENTIAL CONSTRUCTION

Question No. 1,349—**Mr. Robinson:**

What percentage of the sales tax on building materials refers to (a) housing (b) commercial construction?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation that approximately one third of the estimated revenue from the sales tax on building materials was derived from materials used in residential construction and two thirds from materials used in non-residential construction.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

FREELANCE SPEECH WRITERS EMPLOYED BY MINISTERS OF THE CROWN

Question No. 156—**Mr. Clark (Rocky Mountain):**

1. In the period March 31, 1973 to March 31, 1974, on how many occasions did a Minister of the Crown employ, or otherwise arrange for the services of, a freelance or contract speech writer?

2. In each case (a) who was the Minister (b) what was the fee (c) what was the occasion of the speech?

Return tabled.

FOREIGN-OWNED FISHING VESSELS ON EAST COAST

Question No. 276—**Mr. Munro (Esquimalt-Saanich):**

1. In 1965, 1967, 1969, 1971, 1972 and 1973 (a) what was the number of foreign-owned fishing vessels fishing on the East Coast of Canada (i) above the 50th parallel (ii) below the 50th parallel (b) what were the countries of origin of such vessels (c) what was the tonnage?

2. For the same years (a) what was the number of foreign-owned fishing vessels fishing on the West Coast of Canada above the 55th parallel (b) what were the countries of origin of such vessels (c) what was the tonnage?

3. In each case, what were the reported catches on the East Coast of the species (a) cod (b) haddock (c) halibut (d) herring (e) pollock (f) silver hake (g) ocean perch?

4. In each case, what were the reported catches on the West Coast of the species (a) halibut (b) salmon (c) cod?

5. During the same years, what was the number of Canadian-owned vessels having a fishing range in excess of 100 miles in the four areas designated, their tonnage and catch on the species designated?

Return tabled.

DEPARTMENT OF AGRICULTURE—TRAVEL EXPENSES FOR MINISTER AND STAFF, 1972-74

Question No. 715—**Mr. Stevens:**

1. In each fiscal year ending March 31, 1972, 1973 and 1974, and for the six month period ending September 30, 1974, what was the aggregate expenditure by the Department of Agriculture for travel abroad by (a) the Minister of Agriculture and his immediate staff (b) departmental staff (c) the staff of boards, commissions, tribunals, Crown corporations or other similar agencies reporting to the Minister (d) others whose expenses were paid in part or in whole directly or indirectly by the government?

2. In the case of an expenditure in excess of $200 (a) what was the purpose of the foreign trip (b) what was the furthest destination (c) what is the name of the person(s) who took the trip (d) how long was the person(s) outside the country (e) what was the nature of the expenditure (f) how many others were in the party making the trip?

Return tabled.

SURVEY OF DISABILITIES OF PRISONERS OF WAR DURING WORLD WAR II

Question No. 1,360—**Mr. Reynolds:**

1. Did the government request J.D. Hermann, M.D., to do a survey of the disabilities of the servicemen (all three services) who were prisoners of war in the European Theatre during World War II and, if so, on what date was this report requested?

2. How many questionnaires were mailed out to ex-prisoners of war in April 1973 and what were the questions asked?

3. Has Dr. Hermann completed and reported the results of his survey and, if not, for what reason?

Return tabled.

● (1420)

Mr. Cossitt: Mr. Speaker, I rise on a point of order with regard to answers to certain order paper questions being made orders for returns rather than answering them in the usual manner so that the answers appear in *Hansard*. On February 5, the hon. member for Edmonton West (Mr. Lambert) referred to this problem. At that time the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) replied setting forth what he said was the procedure the government followed in deciding whether or not to make a question an order for return. I quote from the parliamentary secretary's statement which appears at page 2931 in *Hansard*:

> The general practice we follow now is that all answers that will take over half a page to three-quarters of a page in *Hansard* are made orders for returns.

Mr. Speaker, I refer specifically to question No. 426 and the answer tabled last Wednesday, February 12. The question asked for information regarding appointments or employment received by candidates of the Liberal party since the general election of July 8, 1974. The answer listed the names of ten Liberal candidates who were placed on the public payroll following defeat by the electors. These names do not appear in *Hansard* because the government used the device of tabling the answer. Surely, Mr. Speaker, it cannot be contended, to cite the formula outlined by the parliamentary secretary, that the printing of these names in *Hansard* would take up more than half to three-quarters of the page. It would seem to me, Mr. Speaker, that this is a glaring example of the government tabling an embarrassing answer so that it will not appear in *Hansard*. Surely, Mr. Speaker, the government should not be able, by using the procedure of tabling answers, to hide information which shows the manner in which it rewards party faithful from the public trough.

Some hon. Members: Hear, hear!

Mr. Coates: Mr. Speaker, I rise on a similar point of order. I have a number of questions that have been on the order paper since September 30, 1974; Nos. 40, 41, 42, 46, 47, 48 and 50. I appreciate that there is detail associated with them. For example, one question relates to the number of times government aircraft were used by cabinet ministers between May 8 and July 8, 1974. It is very important that the House of Commons and the public know whether during a federal election campaign cabinet ministers were using government aircraft. We are entitled to this information. We are entitled to know if government aircraft were used for political purposes and whether repayment was made to the federal treasury for the use of those aircraft.

There are a number of other questions that are similar. In view of the fact the President of the Privy Council (Mr. Sharp) and a number of his colleagues went to Great Britain to see how questions are answered in that country and they discovered that most could be answered within one week, any member of this House who has had to wait since last September 30 deserves an explanation and the answers as quickly as possible.

Some hon. Members: Hear, hear!

Mr. Speaker: On the points of order raised, particularly the one with regard to a delay in answering questions, this is something the House had heard before. Although this may be a grievance, it is not a point of order.

On the point raised by the hon. member for Leeds (Mr. Cossitt), the practice of asking that certain responses be deemed to have been made orders for return in order that the returns can be tabled forthwith, is, of course, at the pleasure of the House. If hon. members are unhappy with that practice, it is to be hoped a way will be found to improve it. The failure to do so might ultimately result in the withholding of agreement of the House to that tabling. This might lead to the question being put as to whether that can or ought to be done at that time. Although it might be dramatic, it would be a rather cumbersome procedure. That is the logical conclusion of a disagreement about whether such responses can be tabled in that way. As I say, if there is difficulty about the procedure, hon. members can agree on a way to improve it.

Mr. Diefenbaker: Mr. Speaker, I rise regarding a question having to do with the Hon. J. W. Pickersgill—starred question No. 1,526. I endeavoured to get this information by means of an ordinary question placed on the order paper in the month of October, I think it was—I do not have it before me. It has to do with pensions and the amount paid to Mr. Pickersgill when he headed the Transport Commission. The answer previously given was completely without information as far as answering the question was concerned. Therefore, on February 5 I put down a starred question regarding the same matter. Starred questions have to be answered orally. I realize it is going to be embarrassing if this answer is given, but I would point out to Your Honour that the contemptuous way in which questions are being answered, or answers withheld, constitutes an endeavour on the part of the government to place a blindfold on parliament.

I shall not deal with that matter at the moment, but I think I should say to you, Mr. Speaker, as custodian of our rights in the House of Commons, that this hiding of the facts, the delays in answering that are taking place, indicate that the government has complete contempt for the right of members to secure information. This is a matter which I may bring to your direct attention shortly.

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

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

POSSIBLE SUBMISSION OF INCOME GUIDELINES TO UNIONS—GOVERNMENT POSITION ON COLA CLAUSE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Labour arising out of a statement of the Minister of Finance that public service employees had been represented at talks with union leaders aimed at reaching some kind of consensus to restrain inflation. I should like to ask the Minister of Labour who has, I understand, been participating in these talks, whether the government has outlined to the unions, particularly, in this case, the public sector, any specific guideline respecting incomes, wages or salaries which the government feels would be suitable and appropriate in present conditions.

Hon. John C. Munro (Minister of Labour): Not in the discussions in which I was present.

Mr. Stanfield: A supplementary question to the Acting Prime Minister. It arises from the statement made by the Minister of Finance in the House on January 28. I quote:

> From my point of view the addition of a COLA clause makes a good deal of sense because it responds to the cost of living rather than anticipating rates of inflation, which hopefully will not be attained.

I should like to ask the Acting Prime Minister whether the endorsement of a COLA clause by the Minister of Finance is government policy, particularly with relation to public service contracts?

Hon. Mitchell Sharp (Acting Prime Minister): As the Minister of Finance said in the statement which has just been quoted, there is something to be said for this. But, regrettably, there is more to be said than that. I would not look upon the statement of the Minister of Finance as being an endorsement at all. He merely comments that there is something to be said in favour. There is something to be said on the other side, too. I would not interpret the Minister of Finance as endorsing COLA.

Mr. Diefenbaker: There is something to be said for cabinet solidarity.

Mr. Sharp: Anyone who has looked into the question of the best basis for the negotiation of labour contracts knows that this is a subject upon which there can be legitimate differences of view. The Minister of Finance was not endorsing this concept for universal application; he was saying there was something to be said for it, and there is.

* * *

● (1430)

THE CANADIAN ECONOMY

INFLATION—DATE FOR ARRIVING AT CONSENSUS ON METHODS TO COMBAT—POSSIBLE DESIGNATION OF MINISTER RESPONSIBLE FOR PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. I must say it is sad for a Leader of the Opposition to see a Minister of Finance undermined when he is operating under such difficult conditions as this. I take it that the Acting Prime Minister has rejected the statement of policy made by the Minister of Finance in the House on January 28.

In view of the explanation given by the Minister of Finance the other day as to why the process of reaching a consensus has been delayed, which is partly because he and other ministers involved have been busy with other responsibilities, I should like to ask the Acting Prime Minister whether he is prepared to give the House the time period within which the government will report to the House regarding this effort to achieve a consensus, which has been put off; and in view of its importance and the apparent distraction of ministers involved with other duties, will the government delegate or designate one minister as being responsible for carrying out this program and giving it the highest priority?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, these consultations are continuing. I do not think the suggestion of the Leader of the Opposition would have the effect of expediting the process. I think it is highly desirable that a number of ministers should be involved and that the government itself, through the Prime Minister, should take the responsibility. When these consultations have reached the point where there is something useful to report regarding the explorations that have taken place, there will be a report to the House.

Mr. Stanfield: A final supplementary question, Mr. Speaker. Do I take it that the Acting Prime Minister is refusing to give a date within which the government will report on this matter that was in the Speech from the Throne and which has been dragging along now for quite a number of months?

Mr. Sharp: I do not think it would be desirable to fix the date, Mr. Speaker. I think the most important point about these explorations is that we should try to reach a consensus among the people who are participating. If we fix a time by which we are supposed to report a consensus, it is my view that it would inhibit the process.

Mr. Speaker: The hon. member for Grenville-Carleton.

[Mr. Diefenbaker.]

Mr. Coates: Mr. Speaker, I rise on a question of privilege at this time. I have just had provided to me an answer to question No. 1,296. This is the first opportunity I have had to rise since being made aware of the reply to the question, and I understand this is the avenue I should follow. I raise this question because—

Mr. Speaker: Order, please. I understand the hon. member is reserving his right to raise a question of privilege at the first available opportunity, but I wonder whether it would be agreeable to him to wait until the conclusion of the question period before raising his question of privilege. I understand his concern that if he waited until the end of the question period it might be asserted that he had not raised it at the first available opportunity.

Mr. Coates: That would be satisfactory to me, Mr. Speaker.

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PUBLIC SERVICE

GENERAL LABOUR AND TRADES GROUP—POSSIBLE SUBMISSION OF INCOMES GUIDELINES TO UNION AND SHORTENING OF CONTRACT PERIOD

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is directed to the President of the Treasury Board and arises out of the obvious split between the President of the Privy Council and the Minister of Finance respecting COLA clauses as they apply to the public service. In view of this difference of view, is the government contemplating any across the board incomes guidelines or a program that would be flexible regarding lower paid groups in the economy that have fallen significantly behind? I have in mind particularly the GLT group. Does the matter of comparability of wages for this group and similar workers in the private sector fit within the terms of reference of the government's objectives on a consensus?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, in the public service we try to reach agreement with unions through negotiations. Our objective is to provide civil servants with salaries comparable to those received by people carrying out similar duties in the private sector. I think that with such a policy it is possible to achieve the government's objectives.

[*English*]

Mr. Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. In view of the obvious failure on the part of the government to impress upon the GLT's this situation, in view of the bankruptcy of policy on the part of the government respecting the lower paid employees in the public service—which all members of the GLT group are—and particularly in view of the fact that one union member is reported at noon today to have said that if the government would shorten its contract period from two years to one some talking point might be arrived at and there would be a new chance for agreement, would the government indicate whether it will do this in order that

this matter which has just begun can be brought to a head and this strike concluded?

Mr. Chrétien: Mr. Speaker, we are still negotiating with the union. The parties met over the weekend and this morning, and they are talking. The mediator, Mr. O'Connor, is working with the parties and I hope he will find a solution that will be acceptable to both of the parties.

* * *

INDUSTRY

AUTOMOBILES—GOVERNMENT MEASURES TO STIMULATE INDUSTRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Having said when unemployment in the automotive industry had reached only 15,000 that the government had no specific plans because the minister did not then regard the industry as being in a serious situation, I should like to ask the minister, now that unemployment has reached the 25,000 figure, and particularly since he has had time to consider a long and serious brief presented to him and to other ministers by the United Automobile Workers of Canada, whether he is in a position today to announce specific proposals which his government plans to take in order to deal with this very serious situation.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we had a very good meeting this morning with representatives of the automobile workers. Theirs was a lengthy, comprehensive submission dealing positively with many of the issues before us. My colleagues and I will be giving very careful consideration to it.

Mr. Broadbent: A supplementary question, Mr. Speaker. In view of the fact that the minister has had the brief for some ten days and that he and his officials as well as other ministers in the cabinet have had access to and studied the brief for some ten days, is either the minister's department or any other department of government prepared to announce today proposals or courses of action which they plan to take, or can the minister at least tell the House when we can expect a specific, detailed program from the government?

Mr. Gillespie: Mr. Speaker, if the hon. member had been present this morning, he would have known that my colleagues and I took note of a number of these submissions made by the automobile workers. We will be advising him in due course of the government's decision.

AUTOMOBILES—REDUCTION OF PRICE AS MEANS TO STIMULATE INDUSTRY

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question, Mr. Speaker. I can only hope that there are still some workers employed by the time the government gets around to announcing its decision. I should like to ask him about one area of price differential in which the minister has shown remarkable insight by saying we sell 80 per cent of our cars to the United States, overwhelmingly due to the fact that the price is about $600 lower in the United States. Has the minister or the government reconsidered the price position with a view to bringing down the price to Canadian consumers as one means of increasing employment in the industry?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, if the hon. member would focus upon the main problem of the automobile industry in Canada, which is the failure of the United States market, he would realize that the particular solution he is proposing would not have the effect of bringing about a resurgence in the automobile industry of Canada.

* * *

● (1440)

[*Translation*]

AIRPORTS

VAL-D'OR AND ROUYN—INQUIRY AS TO CONTINUATION OF COMMERCIAL SERVICE

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to put a question to the Minister of Transport.

There is now some discontent in northwest Quebec regarding Val-d'Or and Rouyn airports. Val-d'Or was previously a military airport, which is now within the jurisdiction of the Department of Transport, and Rouyn has a civilian airport. The minister is undoubtedly aware that officials of his department visited these two places many times.

Can the minister say today whether Val-d'Or will keep all its present equipment and continue to provide the same services, and whether Rouyn will be adequately equipped, so that airlines can serve both airports for people who want to go to that region?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, when the Department of National Defence decided not to keep that airport, we sent investigators to see how we could use it for civilian purposes, since it was already used for such purposes.

We are trying to determine the best way to proceed. I cannot promise the hon. member there will be two airports, one in Rouyn and one in Noranda. I think the hon. member can easily use his car to go from one to the other but, in any case, it would be a good thing if one of them provided adequate service.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary.

Whether I want to take the plane or use my car does not concern the Department of Transport.

For about twelve years, officers of that department have come to visit the region. They promise us the equipment for an airport in Rouyn, to make possible the landing at 70 miles from Val-d'Or. That is done between Ottawa and Montreal, and I think that Rouyn and Val-d'Or are as important as Ottawa. Is the minister prepared to give better service to Rouyn airport without taking any away from Val-d'Or?

Mr. Marchand (Langelier): I can assure the hon. member for Témiscamingue that his representation will be taken into very serious consideration, and I hope he will be satisfied.

* * *

[*English*]

PUBLIC SERVICE

POSSIBLE DISCUSSION OF WAGE GUIDELINES WITH MINISTERS OF FINANCE AND LABOUR AS BASIS FOR NEGOTIATION

Mr. J. M. Forrestall (Darmouth-Halifax East): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. Inasmuch as we have heard from the Minister of Labour that he has had no discussions with the Minister of Finance respecting guidelines, has the President of the Treasury Board had any discussions with the Minister of Finance respecting wage guidelines, and has he had any discussions with the Minister of Labour and, if so, were these guidelines expressed in any way to the general labour and trades group at any point during the negotiations or subsequent to them?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, if I were to reveal in the House what my position is, there would be no point in having any negotiations.

Mr. Forrestall: Mr. Speaker, I was not looking for details of any disclosure. Let me put the question in the simplest form. I believe the House is entitled to this information. Has the President of the Treasury Board discussed the matter of guidelines with the Minister of Finance, not necessarily with respect to the current negotiations but regarding negotiations that will be going on from time to time between the Treasury Board and employees of the federal government?

[*Translation*]

Mr. Chrétien: It is a well known fact, Mr. Speaker, that the Minister of Finance and I get along very well.

* * *

[*English*]

INDUSTRY

AUTOMOBILES—SUGGESTED REDUCTION OF SALES TAX

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to get back to Canada's troubled automobile industry and I should like to direct my question to the Minister of Industry, Trade and Commerce. In view of the fact that 30 per cent to 40 per cent of the Canadian automobile industry is directly dependent upon sales of Canadian auto products in Canada and because of the buyer resistance that is building up this year due to the price increase of Canadian automobile products, and further, because one of the factors in that increase is the 12 per cent federal sales tax levied on Canadian manufactured automobiles, not Volkswagens, not cars produced in the United States but Canadian manufactured automobiles, can the minister tell us now if the government has any plans to reduce or abolish the federal 12 per cent sales tax as has already been done in respect of the construction industry?

[Mr. Caouette (Témiscamingue).]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): The Canadian automobile industry depends on U.S. consumers for about 80 per cent, or very close to it, of its production. Therefore, the sales tax proposal that the hon. member has put is, in my view, not an answer to the Canadian automobile industry. If indeed the sales tax reductions were to be applied, they might also have the effect of increasing the proportion of imports from third countries.

Mr. Diefenbaker: What about the Canadian consumer?

Mr. Lawrence: In view of the fact that we are talking about a sales tax on Canadian manufactured goods, not those imported into this country, and in view of the fact that the ten year old auto pact called for an equalization of price in respect of motor vehicles produced on the north American continent, can the minister tell us now what the government is doing right now in respect of the troubled Canadian auto industry?

An hon. Member: Nothing besides prayer.

Mr. Speaker: Order, please.

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VETERANS AFFAIRS

REQUEST FOR EXTENSION OF VETERANS LAND ACT UNTIL NEW HOUSING LEGISLATION INTRODUCED

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Veterans Affairs. In view of the fact that there are only about six weeks before the phasing out of the Veterans Land Act and that there are just under 3,000 applications which have been received by the veterans land administration because of the extension of the act, would the minister indicate whether, if no new veterans housing legislation is introduced before March 31, 1975, he will extend the act by an order in council or by legislation until the veterans housing legislation is ready.

Some hon. Members: Hear, hear!

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, it has been decided by the government that the Veterans Land Act would not be extended any further. As I have mentioned on previous occasions, a study has been conducted by my department, by the department of the Minister of State for Urban Affairs, by the Department of Finance, and others. When the findings are known to us which I hope will be very soon, I will make them available to the House of Commons.

Mr. Marshall: The minister did not answer my particular point, that is whether, if the new veterans housing legislation is not ready by March 31, 1975, the minister would consider extending the act for two or three months until that legislation is ready.

Mr. MacDonald (Cardigan): This is a government decision which will be taken at the time, and whether the decision is favourable or unfavourable, the announcement will be made.

* * *

PUBLIC SERVICE

PROPOSAL GOVERNMENT DEAL WITH UNIONS REPRESENTING SINGLE SECTORS OF ECONOMY—GOVERNMENT POSITION ON ESTABLISHING LABOUR RELATIONS COUNCIL

Mr. Otto Jelinek (High Park-Humber Valley): My question is for the President of the Treasury Board. Because of the fact that so many different sectors of the economy are being affected by the present GLT group walkouts, could the minister advise the House whether or not he would now perhaps consider looking into the possibility of having single public sectors in the economy dealing with the government as a whole in order to avoid the fragmentation of union power which, for example, has made this specific walkout so widespread?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I have some difficulty with that question because I do not know whether there would be less disruption if all the people were in the same union. If there were to be a strike, it would be a hell of a big strike. I do not think this would serve any useful purpose. Last week when the question was put to me twice I said that a joint committee of the House and of the Senate is looking into the recommendations of the Finkelman report and the hon. member will be welcome to express his views.

Mr. Jelinek: The President of the Treasury Board did not understand my question in which I referred to the individual public sectors, not the whole economy. However, my supplementary question to the Minister of Labour is as follows.

● (1450)

In view of the present work stoppage by the GLT group, could the minister advise this House whether his suggestion made to cabinet in a recent memorandum regarding labour relations in Canada will be implemented, and whether consideration is being given by cabinet to establishing a Canada labour relations council for the purpose of finding, on a continuing basis, solutions to different problems of practice and perception in labour relations, including the problems of fragmentation in the union?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am not free to discuss here policies with respect to labour or any other policies discussed in cabinet.

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HOUSING

ROCHDALE COLLEGE—GOVERNMENT ACTION TO EVICT TENANTS AND FIND ALTERNATIVE USE

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of State for Urban Affairs. It deals with the report of the York County grand jury recommending that Canadian forces personnel be used to clean up the unholy mess in Rochdale College in Toronto. I would like to ask the minister what action the government has taken or will take regarding this problem which has been existing for four years.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the hon. member probably knows that this is in the hands of the court. There is a court-appointed trustee. Court action is taking place. I am not a lawyer, but I understand that the wheels of justice grind slowly.

An hon. Member: Like the cabinet.

Mr. Danson: We would like to see this turned over for more beneficial use of the community, and I assure those concerned that while we are going through a legal process, I am keeping close to it. We will do all we can to co-operate and see that the best use of the accommodation available is made if this property returns to CMHC's hands.

Mr. Scott: I agree that the wheels of justice grind slowly, but they must need a little grease by now. Why can the minister's department not put this building to some better use so that the citizens of Canada, especially the senior citizens, may receive some value for their tax dollars? I ask him to look into this.

Mr. Danson: Mr. Speaker, it is a matter of constant concern. I would like to see this returned to beneficial use for senior citizens or some other use which may be decided upon. I cannot do anything until the courts have made their determination.

* * *

[*Translation*]

AIRPORTS

ÎLES-DE-LA-MADELEINE AND BONAVENTURE—SUGGESTED TRANSFER OF FUNDS FROM PICKERING PROJECT FOR AIRPORT CONSTRUCTION

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, may I direct a question to the Minister of Transport?

Since people from Toronto and the area are still reluctant about the Pickering airport project, would the minister consider transferring part of the funds earmarked for this airport to make the urgent improvements needed at the Îles-de-la-Madeleine's airport and build an airport at Bonaventure?

[*English*]

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare.

[*Translation*]

Mr. Béchard: On a point of order, Mr. Speaker. I believe the minister was rising to answer my question and I would like to hear what he has to say.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I believe that if repairs are needed they should be made at the airports referred to, without necessarily using the funds earmarked for other purposes.

* * *

[*English*]

SOCIAL SECURITY

DATE OF IMPLEMENTATION OF GUARANTEED ANNUAL INCOME PROGRAM

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I now direct a question to the Minister of National Health and Welfare. Has the government at the instigation of the Minister of Finance decided to cut back or slow down the social security program which the Minister of National Health and Welfare announced in this House on April 18, 1973? Can he specifically now tell us what the target date is for the introduction of a guaranteed annual income?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will have the opportunity to meet my provincial counterparts tomorrow and the day after at a federal-provincial conference of welfare ministers. As for the matter of income security, I think that when my hon. friend reads the proposal the government intends to make to the provinces on this occasion, he will find that these proposals are well within the limits indicated in the working paper tabled in this House in April 1973.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the minister make a statement on this matter to the House immediately following that conference?

[*Translation*]

Mr. Lalonde: I will certainly make sure that any statements I make at the conference will be available immediately to all members of this House. As to whether it will be necessary to make a formal statement to the House at the end of the conference, I would like to give consideration to it later on.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR INCREASED FUNDS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration and I would also ask the President of the Treasury Board to give it very special attention.

[Mr. Knowles (Winnipeg North Centre).]

Owing to the considerable increase in unemployment in areas where textile and lumber industries are set up, as in the Bellechasse constituency where the people are quite concerned, may I ask the minister whether additional estimates will be earmarked for the Local Initiatives Program, so that priority projects will be subsidized thus creating jobs to compensate for dismissals in those industries and will he suggest that the date for the beginning of works be deferred from January 31, 1975 to March 31, 1975?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will give consideration to and discuss the hon. member's representations with my colleagues.

* * *

FINANCE

AMOUNT OF UNEMPLOYMENT INSURANCE PAYMENTS ESTIMATED FOR 1975

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on Wednesday last I asked the Minister of Finance this question, and in his absence today I will repeat it for the Minister of Manpower and Immigration.

In view of the obvious revision of the financial resources available to the government and to the economy, would the minister advise the House as to the revised figure he has arrived at respecting the cash requirements of the government for unemployment insurance payments in the fiscal year 1975, in light of the government's obligations? Will this figure possibly exceed the $2 billion reached in 1972?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think, as the Minister of Finance indicated, there are a great number of variables which go into such forecasts.

Mr. Lambert (Edmonton West): He said he would look into it.

Mr. Andras: Yes, I am sure he will, and we are constantly looking at the variables to see the range. I would say that it is quite possible that the benefit pay-out in 1975 would be larger than the benefit pay-out in 1974, but to what extent I cannot tell you yet.

Mr. Lambert (Edmonton West): In view of the fact that the estimates are going to be tabled on Wednesday next, surely the minister already knows whether the figure of cash requirements for the government with regard to its responsibilities under the unemployment insurance scheme will exceed $2 billion.

Mr. Andras: Mr. Speaker, of course the Minister of Finance has been a party to these calculations. When the estimates are tabled I am sure the hon. member will be able to explore with us what the consequences and results might be.

[*Translation*]

IMMIGRATION

VISAS FOR LOUISEVILLE COLOMBIAN WORKERS—GOVERNMENT POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Given the precarious situation of the 37 Colombian weavers of Louiseville who have obtained some support from Quebec, does the minister intend to grant them an immigration visa?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am sorry I missed the first part of the question. I presume it relates to the Colombian workers who were brought in to work in the textile industry. As the hon. member knows, we have extended their permission to be here and we are looking at all possible means to alleviate a situation which arose, perhaps, inadvertently.

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POST OFFICE

MONTREAL—ALLEGED SLOWDOWN OF SERVICE—GOVERNMENT ACTION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Has the Postmaster General investigated the report which appeared in the Montreal *Star* on Thursday last under the byline of Mr. Claude Adams to the effect that there was a deliberate slowdown in postal service in the Montreal post office which included sporadic and erratic situations, double and triple sorting of sacks and other activities of that kind, and if he is investigating this report, would he be making a statement to the House on the matter?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, we are constantly monitoring all our main post offices including that in Montreal, and the performance in the Montreal post office leaves something to be desired. On the other hand, there are officials there today making certain that our supervisors in the Montreal area have the required authority to prevent such action from being taken.

● (1500)

Mr. Dinsdale: A supplementary question. In view of the statement of the Postmaster General that a small number of troublemakers are out to destroy the whole system, would he report to the House on this matter in order to restore the good name of the majority of postal workers and also to avoid further more serious disruptions of this kind?

Mr. Mackasey: Mr. Speaker, I can assure the House that right now the majority of postal workers are entitled to a good name. They are law abiding citizens who do excellent work and provide the third best postal system in the world. I might add, Mr. Speaker, that the group I am talking about is not confined to Montreal; it is found in other areas as well. The ideological conflict will be sorted out in due time.

* * *

AIR TRANSPORT

REGIONAL AIR CARRIERS—REQUEST FOR STATEMENT OF POLICY

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Minister of Transport. Since Canada's five regional airlines have stated that an urgent review of regional air policy is very necessary to them especially since they contend, and rightly so, that they are operating within the framework of the 1966 policy, I should like to ask the minister in view of the fact that his department has had some discussions with the regional air carriers about this program in the past two months, if he can inform the House what steps will be taken to upgrade regional air policies? Can the minister also inform the House whether a policy statement will be forthcoming in regard to what the Department of Transport intends to do in connection with regional carriers?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the policy which I hope can be announced shortly will cover not only the regional air carriers but it will cover the third level air carriers, it will cover the boards, it will cover the airports, the railways, the highways—it will cover everything that moves in Canada.

Mr. Diefenbaker: It won't cover the government, then.

* * *

AGRICULTURE

BEEF CATTLE—GOVERNMENT MEASURES TO AID PRODUCER

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Minister of Agriculture. In view of the recent crisis in the beef industry that is causing farmers to sell livestock at almost half the cost of production, I should like to ask the minister what steps the government is taking at this time to alleviate the situation?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have programs for our livestock producers that no other nation in the world has and we can provide stability for their production. We have, for top grade cattle, a support price of $45.42 per hundredweight. We are reviewing our indexing system for the price we set last August for one year and have announced that this cattle support program will be extended for another year from August, 1975. The provinces also have programs. There is no way we can tell people not to sell their cattle, but I think they would be better off not to sell at this time.

Oral Questions

HARBOURS

SCOTT REPORT—GOVERNMENT POSITION ON GRANTS TO MUNICIPALITIES WHICH HAVE COMMISSION PORTS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I have a question for the Minister of Transport. The minister is aware of the discrepancy that exists between the National Harbours Board and the commission ports and he knows the difficulties for those areas where commission ports are built. Could the minister inform the House as to the disposition of the Scott report and tell the House whether it contains policy regarding grants in lieu of taxes to local governments where such commission ports are in operation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it is very difficult to give a clear answer on this and I am sure you can understand why. We have a very difficult situation here—it is easy to make a joke of what I am saying but the problem is the following: we have 13 ports under the National Harbours Board jurisdiction; we have the same number of harbour commissions and we have from 15 to 2,000 ports—

An hon. Member: You have one hell of a mess.

Mr. Marchand (Langelier): —which depend on the marine administration of my own department. Then, we have ports with special status like those in Toronto and Hamilton and private ports like Seven Islands and Port Cartier among others. The situation differs from place to place. If you ask me whether the National Harbours Board has a general policy for all those ports the answer is no, Mr. Speaker.

* * *

INDUSTRY

AUTOMOBILES—GOVERNMENT MEASURES TO AID PARTS INDUSTRY

Mr. Derek Blackburn (Brant): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce, which relates to the very serious situation in the automotive industry today. Since almost half the people employed in the automobile industry are employed in the parts sector and since this sector is particularly badly hit at this time, can the minister tell the House specifically what the government is planning to do to alleviate this critical situation?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have been trying to assist them to find new export markets. We have participated with them in a number of trade missions abroad and Canadian fairs abroad. There have been various delegations from other countries to Canada looking at Canadian parts manufacturing as a source of supply. We are trying to find as many new and varied markets as we can.

[Mr. Whelan.]

ADMINISTRATION OF JUSTICE

ENFORCEMENT OF MAINTENANCE ORDERS ISSUED BY FAMILY COURTS—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of Justice I would direct my question to the Minister of National Health and Welfare and the subject also concerns the Minister of State for Urban Affairs. On March 25, 1974 I mentioned the fact that 75 per cent of all family maintenance orders made by Canadian Family Courts against deserting husbands are in default. These defaults cost the Canadian taxpayer $365 million annually. In answer to my question during the adjournment debate the parliamentary secretary stated that this problem could be explored through the conference of uniformity commissioners on legislation which meets annually to examine ways and means of achieving uniformity in laws throughout the various jurisdictions. Can the minister now report to the House on the annual meeting and state what action is being taken to rectify this situation which has cost Canadian taxpayers close to $1 billion since January 1, 1973.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will be pleased to refer the hon. member's question to the Minister of Justice on his return to the House and the minister will then report.

* * *

[*English*]

EXTERNAL AFFAIRS

PROPOSED REFINERY AT EASTPORT, MAINE—GOVERNMENT POSITION ON USE OF CANADIAN WATERS TO DELIVER OIL

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the continuing hearings being held by the environmental authorities in the State of Maine regarding the construction of an oil refinery at Eastport, Maine, and in view of the position taken by the Minister of the Environment on April 29, can the minister inform the House whether a message has been sent to the Secretary of State of the United States to indicate what use may be made of Canadian waters for the delivery of oil to the proposed refinery?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, as my hon. friend has stated the application is presently before the board in Maine and to my knowledge no decision has been rendered. If the oil for use in the proposed refinery is to be carried through the Head Harbour passage, of course, the attitude of the government of Canada has been made clear to the government of the United States. We think that the hazard to the environment is so great that this would be a very unwise course of action.

Mr. Speaker: Order, please. Orders of the day. The hon. member for Cumberland-Colchester North on a question of privilege.

Mr. Coates: Mr. Speaker, I rise on a question of privilege relating to a matter raised earlier by the right hon. member for Prince Albert (Mr. Diefenbaker) that was brought to my attention in answer to question No. 1296 today. If you will examine question No. 1296 you will see that I asked very specifically for details in relation to gifts exchanged between members of our government and members of foreign governments when our government members are visiting foreign countries or members of other governments are visiting this country. In my question I sought to determine a number of things. I wanted to know, mainly, what moneys the taxpayers of Canada were putting up for gifts to foreign dignitaries. I was referring to gifts which such dignitaries receive in this country and to gifts which members of our government give to them when visiting other countries. As well, I wanted to know what happened to gifts received by representatives of our government.

● (1510)

The answer I received was pure gobbledygook. It says nothing except that the President of the Privy Council (Mr. Sharp), who signed the order, states that there is no policy with respect to exchanging gifts. That, Mr. Speaker, is obvious. I submit that members of parliament are entitled to such information as I seek. The money for gifts given by our government members does not come out of the pockets of cabinet ministers; it comes out of the pockets of the taxpayers of this nation. Yet this government refuses to supply me with the detailed information I seek about the expenditures of those tax dollars. This is not the first time this has happened. The government is becoming more and more secretive and ever more reluctant to disclose information; and we have a legitimate right to such information.

The government is making a mockery of a procedure which is useful in eliminating debate in this chamber. We submit questions to be placed on the order paper for a very good reason: if they were not on the order paper, the answers would take up valuable time in the question period which is already too short. For a long time I have endeavoured not to misuse the question period and, whenever possible, in my search for information I have submitted written questions. The response to such questions has been inadequate. For example, not long ago there was a request for information and details about people taking language courses on either a short or a long-term basis. The answer was that: everybody taking a language course, regardless of where he may be, is treated as if he were still a member of the work force here in Ottawa. I point out that such a person might be in Quebec or in France. Nevertheless, that is all the information which was supplied.

If a question on the order paper is to be a useful tool for members of parliament, I suggest that you, sir, as our representative and spokesman should see to it that we are furnished with legitimate replies to our questions—and this is happening less and less frequently. The kind of garbage I was given as an answer today is just not good enough. Something must be done or the entire system under which we work will break down. We are not being treated fairly. The government is secretive—and it has no right to be secretive about how the taxpayers' dollars are spent. We want the facts. Having taken the time to formulate a question in detail, a question which is often based on research, we are entitled to an answer. The least we can expect is that the government will give us the information we seek. If we do not get it, the House will discover that every Monday and Wednesday at least half the day will be taken up by members of the opposition legitimately rising and complaining about the government not giving them information to which they are entitled.

Mr. Diefenbaker: Mr. Speaker, I rise on the same question of privilege. It has become obvious that the government is hiding information, concealing facts and refusing to produce any information that is available. For example, let me refer to the question I asked on November 8 last, three months ago. I knew what the answer was when I asked the question; I received it from a departmental official. I wanted to know the total amount paid to sculptors for the statues of the Right Hon. Arthur Meighen and the Right Hon. Louis St. Laurent, and for the design proposal of the statue of the Right Hon. R. B. Bennett. The government hid that information for three months. I raised the matter recently and said there could be no excuse for this. The excuse, of course, is that the government is afraid to give us the answer; that is all. But that is not the way to treat parliament.

Today, according to the answer furnished, we learn that the sculptor, Marcel Braitstein of Sackville, New Brunswick, received $48,000 for the statue of the Right Hon. Arthur Meighen. Sir, that was the greatest monstrosity ever produced—a mixture of Ichabod Crane and Daddy Longlegs. It is about nine feet high, and totally worthless. The government hid it for the last three or four years until we found out about it. Not only did the government decide that it could not set up such an object on Parliament Hill; it refused to give an answer for three months.

The next part of the answer dealt with the Right Hon. Louis St. Laurent. Elek Imredy was paid $56,000 for the statue. Then there was the monstrosity of a mock-up for the statue of the Right Hon. R. B. Bennett. It consisted of a mummy about three feet long, the identification of which might have been possible in the days of Tutankhamen, but not since. One, Elford Cox, of Willowdale, Ontario, was paid $2,800 for this. Why was this information withheld? This is happening day after day. It shows that the government is determined not to answer anything that might embarrass it, or is determined to hide an answer as an order for return so that the people will not see it.

I know the government cannot answer some questions immediately. On November 6 I asked how many convictions for rape have been registered over a period of years and how many kidnapping convictions have been registered. Although the question was asked three months ago, the government is still working on it. One would think, if they had any regard for the administration of justice, that the information would have been available long ago. But we are told all this takes a long time.

Mr. Speaker: Order, please. Some hon. members have already contributed to the alleged point of order or question of privilege relating to questions which have been placed on the order paper, answers to which the Parliamentary Secretary to the President of the Privy Council

(Mr. Reid) indicated would be given today. I accept the comments as being in the nature of a grievance. I think hon. members well know that the rules and Standing Orders of the House do not in any way compel the giving of answers by the government, no matter whether the question be an oral one put during the question period, a written question on the order paper or a question marked with an asterisk, that is, a starred question.

I am commenting now only on whether a question of privilege has been established and whether, in the final analysis, the Chair has any authority to compel answers. I am sure hon. members know full well that there is no compulsion under the Standing Orders and therefore no authority vested in the Chair to compel, in any way, the government to give answers. The government's choice as to whether to give answers is its own. Comments which have been made may be legitimate about the performance and discharge of that responsibility on the part of the government, but the Standing Orders stop short of providing the Chair with power of compulsion. I want hon. members to understand this clearly. The regulations and practices of this House stop far short of vesting authority in the Chair to compel any answers or to put any time limit on the giving of answers. If it is the feeling of hon. members that that should be done, that the Standing Orders of this House should be changed in such a way as to provide for compulsion, then so be it.

● (1520)

With regard to the point that it is not required within the Standing Orders at the present time, I wish to make it absolutely clear that I cannot see a question of privilege involved in this regard, nor can I see any authority for the Chair to compel action to be taken under the Standing Orders as they stand at the present time.

Mr. Cossitt: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order, please. If the hon. member has a different question of privilege, I will be glad to hear it.

Mr. Cossitt: Mr. Speaker, I tried to rise earlier with regard to the matter of gifts which was raised a moment ago. I feel I have a legitimate question of privilege in this regard. Some weeks ago an announcement was made by the office of the Prime Minister (Mr. Trudeau), in keeping with the increased tendency toward the governing of Canada by the Prime Minister's office, that guidelines were being drawn up to set forth conflicts of interest with regard to gifts received by the Prime Minister, members of the cabinet and their wives. As yet, these guidelines have not been presented to this House.

All we have been presented with are answers like the one given today to the hon. member for Cumberland-Colchester North (Mr. Coates), which answer is ridiculous and flaunts the privileges of every member of this House. I do not know if we have to wait until every member of the cabinet has had a Japanese junket, been given a swimming pool or a flight on a whisky jet—but it is time the government got off the seat of its pants and provided this House with proper conflict of interest guidelines.

Mr. Speaker: Orders of the day.

[Mr. Speaker.]

ROUTINE PROCEEDINGS

[*English*]

EGG MARKETING

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. James A. McGrath (St. John's East) moved that the first report of the Special Committee on Egg Marketing presented to the House on Monday, December 16, 1974, be concurred in.

He said: Mr. Speaker, the Minister of Agriculture (Mr. Whelan) was in the House earlier. I hope he will be here later to participate in this debate. Let me say at the outset that although my motion calls for concurrence in the committee's report, the reason I am putting forward the motion is to get the report before the House. I very much regret that this step was not taken by the chairman of the special committee or one of the government supporters on the special committee; hence, I moved the motion as a means of getting the report before the House so that it can be the subject of debate.

The special committee was set up on October 17 last with specific terms of reference. It was, first, to examine the operations of the Canadian Egg Marketing Agency and, second, the performance of the several authorities having responsibility with respect to those operations. There was no quarrel with the terms of reference. They were sufficiently wide in scope to give the committee the latitude it needed to embark upon this very important inquiry. Where we did, and do quarrel is with respect to the very narrow time-frame placed upon the committee by the government. The committee was instructed to report back to the House on or before December 16, 1974. This meant we had less than two months in which to conduct our inquiry.

I ask hon. members to imagine a judicial inquiry or a royal commission inquiry being asked to embark upon an investigation of this magnitude and being told to hear the evidence, draft a report and present it to the government within two months. No judge or any other public-minded person in Canada would be party to such an inquiry. Yet that was precisely the position in which the special committee found itself. During the 24 days of the committee's public sittings we heard 73 witnesses and we received 173 briefs. The witnesses who appeared before the committee made oral presentations and they were subject to cross-examination. As far as the briefs were concerned, it was up to the members of the committee to examine them in the best way they could within the very narrow time limits imposed by the order of reference.

I think it is generally agreed that the members of the committee worked hard. In fact, this was one of the hardest working committees on which I have served. I can also say—and I am sorry the hon. member is not in the House—that the committee was presided over by a very fair, impartial and competent chairman. I refer, of course, to the hon. member for Argenteuil-Deux-Montagnes (Mr. Fox).

Some hon. Members: Hear, hear!

Mr. McGrath: I do not intend to go into the committee's report in detail: it is before the House. Suffice it to say that the report contains many very worth-while recommendations. The fact that my colleagues and I are dissenting from the report does not in any way mean that we do not support any of its recommendations or findings. On the contrary, Mr. Speaker. Many of the findings and recommendations in the report are the direct result of our interest; however, it is our opinion that the committee failed on two important grounds. In spite of evidence to the contrary, even an admission by the Minister of Agriculture that he shared some of the blame, the committee in its report to the House failed to lay the blame where it belongs, that is, squarely on the shoulders of the Minister of Agriculture. It makes a rather faint-hearted attempt in the report to absolve the Minister of Agriculture of any blame whatsoever regarding the destruction of the 28 million eggs. I quote as follows from page 16 of the report:

> The committee recognizes that the Minister of Agriculture does not have any direct control over the operation of the Canadian Egg Marketing Agency.

We intend to show during this debate that not only was the minister responsible, but that a lot of the problems plaguing the agency today are a direct result of the failure of the minister to take an active interest in the first year of the agency's operation, especially since it was supposed to be a pilot for other national marketing agencies to be established under the National Farm Products Marketing Agencies Act. Second, we cannot be a party to the committee's report because in our view the committee did not have an opportunity to hear all the facts pertaining to the operations of CEMA and the destruction of surplus eggs because of the time-frame imposed upon the committee by its order of reference. The committee had less than two months to call witnesses, examine the evidence and prepare a report for the House. The Minister of Agriculture said, during the debate setting up the committee—and I quote from page 490 of *Hansard*:

> Let the nation get all the facts which it has not received to this date.

We did not get all the facts. Let me give the House three illustrations of what I mean. First, the committee never had an opportunity to examine the management committee of CEMA, that is to say, the committee which is in charge of the day to day operations of the agency. How can one properly carry out the terms of reference of the committee without examining the body which is most closely involved?

● (1530)

Furthermore, after the committee had concluded its public hearings and had commenced its sessions in camera to draft its report, a letter was circulated to all committee members by CEMA's auditors, Touche, Ross and Company, indicating that the auditors could not issue an audit of the agency's financial accounts which would be in accordance with generally accepted auditing principles, and here I am paraphrasing. I might say that this evidence was produced as a result of a question directed to the auditors by my colleague, the hon. member for Vegreville (Mr. Mazankowski). In a letter to CEMA dated October 24, 1974, the auditors stated that the inventory records of the agency were inaccurate and not up to date at the time of the auditors' examination. The letter also contained this startling revelation:

> There were several locations where eggs were stored and could not be examined by us because the locations were not known to us or to the agency at the date of the examination.

That evidence was crucial to the committee's investigations. Obviously, the implication here was that there could have been considerably more than 28 million eggs destroyed. We shall never know, because CEMA itself did not seem to know; at least, the auditors were unable to locate stored eggs because the locations were unknown to CEMA. So the number destroyed may have been 30 million, 40 million, or more. It might have been as high as 100 million. On October 5, 1974, the last day of the committee's public hearings, the provincial ministers of agriculture, following meetings in Ottawa with the federal minister on the future of CEMA, issued a statement containing a number of recommendations the effect of which was to place CEMA under trusteeship for two years. This report did not come before the committee until the final day of public hearings, when there were no further opportunities open to us to examine witnesses or to hear new evidence. The key recommendations in the ministers' report are as follows:

> 1. For an initial period of two years, CEMA should consist of a two-part administration: (A) CEMA proper, to consist of ten provincial representatives, plus (B) a five-member executive committee.
>
> 2. The provincial representatives should be selected by the commodity egg board in each province and should be acceptable to the other signatories to the plan in each respective province.
>
> 3. The executive committee should consist of: three persons appointed by the federal minister after receiving nominations from the provincial ministers; the chairman and vice-chairman of the Canadian Egg Marketing Agency.

This report was not presented to the committee for examination. Moreover, its recommendations were adopted only on division according to a letter which the ministers themselves sent to the committee. Surely the House has the right to know which provinces dissented. We are entitled to know what position the Minister of Agriculture for Canada took in respect of those recommendations. As I say, this report came at the end of the committee's hearings and we had no opportunity to obtain this information.

Whether the recommendations are good or bad is irrelevant at this point. The point is, they represent a complete reversal of attitude toward CEMA. For example, when the publicity about CEMA in connection with the destruction of eggs had just begun, there were complaints that consumer representation on CEMA was inadequate. It was not suggested at any time that producers should not have any say in the conduct of their own marketing boards. But that is the attitude taken by most of the provincial ministers. It is up to the minister to decide whether to implement these measures or not. We hope the Minister of Agriculture, who is not in the House at this moment, will address himself to this question before the debate concludes.

The evidence to which I have referred, coming, as I say, at the end of the committee's hearings, totally discredits, in my view, the report which is now before the House. That is why my hon. friend from Lisgar (Mr. Murta) will be moving an amendment later this day to refer the report to the Standing Committee on Agriculture where members

would have the opportunity to learn all the facts—not just selected facts, not just the facts the minister wants us to hear. There will also be an opportunity to look into the new facts which have come to light since the committee made its report.

I should like to review briefly the events which have taken place since the committee presented its report. In December there was an announcement that British Columbia would be withdrawing from CEMA. British Columbia is one of the important producer provinces. Then on January 29 of this year Newfoundland announced that it would be withdrawing from CEMA. We are told that other provinces are about to make a similar move. Why are those two provinces withdrawing? Surely the House is entitled to an answer to that question before it comments on this report.

It is becoming increasingly obvious that we no longer have a national egg marketing plan. Indeed, it is questionable whether such a plan ever existed. Evidence was presented to the committee, from several provinces, to the effect that barriers to interprovincial trade in eggs still exist even after a full year of operations by the agency. And, of course, the principal reason for bringing CEMA into existence was to end the so-called chicken and egg war; to bring down provincial barriers to trade. For example, Nova Scotia eggs could not get to Newfoundland, and British Columbia closed its border to eggs from Alberta and other provinces. The committee hears evidence to the effect that CEMA had set its intervention price, that is, the price which would be paid for surplus eggs, so high that it was, and perhaps still is, an incentive to over-produce.

Then again, CEMA is unable to enforce its quotas and some of the provinces have failed to discipline their own producers. Here I refer to the province of Quebec, Mr. Speaker. As a result, production in Canada is still out of control and CEMA is unable, or at least it was unable up to the end of January, to control the supply of eggs. Last month CEMA announced that it had 40 million surplus eggs in storage. That surplus production was growing by an additional 15 million eggs per week. Here I refer hon. members to the story that broke in the *Globe and Mail* on January 15 last. Shortly after that story appeared, CEMA announced at its meeting in Moncton that it would be reducing production by 10 per cent. What about the present surplus production? Is it now rotting in storage? We are told it has been disposed of. How was it disposed of? Even the Minister of Agriculture was skeptical of that statement when he first heard it.

● (1540)

Fourthly, there can be no supply-management concept unless and until there is co-ordination between domestic production and the importation of eggs into this country. We said the following in our own submission:

> The Minister of Agriculture has failed to recognize a crucial feature of the supply-management concept in that his own government failed to implement an effective mechanism of import controls which directly resulted in lack of stability to the producer and still subjects the consumer to fluctuating prices.

The result, of course, is apparent every day. For example, the egg situation in the province of Ontario has been such that a short while ago Ontario producers were forced to sell eggs at below cost of production, and this was a direct result of the failure of the agency, of the government through the minister, of the Farm Products Marketing Council and of the Minister of Industry, Trade and Commerce (Mr. Gillespie) to control the importation of eggs into Canada, or at least to co-ordinate the importation of eggs into Canada with the domestic supply of eggs. I am sorry that the Minister of Consumer and Corporate Affairs (Mr. Ouellet) is not in the House. He did make one of his rather infrequent visits to the House today, but I am sorry that he has been unable to stay for this debate. Hopefully, the minister will participate in the debate since he does have direct responsibility in this matter.

The Consumers Association of Canada has described CEMA as a mismanaged monopoly. Enjoying as it does the special privileges that it has respecting the combines act, unless and until this particular agency has consumer representation it lends itself to that kind of charge. At the beginning of the present session the Minister of Agriculture promised the following, if I may quote from his speech on October 3 as reported at page 92 of *Hansard*:

> Shortly we will be announcing some new appointments to the National Farm Products Marketing Council. These will include a consumer representative, a labour-oriented representative, and a businessman.

Where are these appointments? They were promised the House last October. Under the statute, the Farm Products Marketing Council has direct supervisory responsibility and is accountable to the minister, which of course makes the minister responsible for the day to day operations of CEMA. We were promised consumer representation on the council last October, so why has the government not seen fit to move on its promise?

What about CEMA itself, if in fact it is able to survive and does survive? I believe—many members share this view, including the former minister of consumer and corporate affairs—that CEMA, because of its special position and the special privileges it enjoys, and also because the provisions of the combines act are waived, should have consumer representation on its board. I hope that from this point of view alone we will have some comment from the Minister of Consumer and Corporate Affairs. Indeed, one would have expected the minister to be the champion of cause of consumers if for no other reason than it is in keeping with his responsibility under the statute under which his department was set up. But the reverse seems to be true.

It is interesting to read what the Minister of Consumer and Corporate Affairs had to say when he appeared before the committee. I quote from issue No. 10 of the committee's proceedings. He said:

> I am not advocating a consumer representative; I am advocating a federal representative and, therefore, if anybody has to put money in it will not be my department, it will be the federal government.

That is the kind of gobbledygook that we got from the Minister of Consumer and Corporate Affairs during his brief appearance before the committee. But if one thing rings true loud and clear, it is the statement that the minister is not in favour of consumer representation on the Canadian Egg Marketing Agency, or that indeed he does not support the principle of consumer representation on national marketing boards. While talking about consumer representation on national marketing boards, the

Minister of Consumer and Corporate Affairs should tell the House what he proposes to do about, for example, the recommendations contained in the Forbes Report on Consumer Interest in Marketing Boards. The Forbes report was not undertaken as an academic exercise. This is a report that was commissioned by the Department of Consumer and Corporate Affairs which has been in the hands of the minister and his department since last April. From what I have read of the minister's appearance before the committee, he has obviously ignored Professor Forbes' recommendations, just as he has ignored the recommendations of the Consumers Association of Canada. I regret this very much because for a while the minister was showing some promise. I certainly hope we will hear from him in this debate.

Professor Forbes' report, which I commend to all hon. members of the House, contains some interesting reading. He has described our agricultural policy as "confused" and as a "hodgepodge" which is costing the Canadian taxpayer, to paraphrase him, over $1 billion a year. We certainly have a good example of this confusion before the House at the moment. We are told that the broiler chicken industry in Canada is in a mess. I mention that fact because the government has once again made no response whatever to the recommendations of the Food Prices Review Board report which was released on January 13. In that report the board recommended that the federal government "not proceed with the establishment of a national chicken marketing agency until a number of questions arising from the board's findings are resolved".

As an extra plank in its program to end the chicken and egg war, the government put into place plans to set up a national broiler chicken marketing agency. In its report on January 13, which is in the hands of all hon. members, the board sets out very good reasons for taking this view, reasons that I think are very germane to this debate. For example, the board found that producer price increases in the chicken broiler industry and the wholesale price spreads do not appear to justify either the increase in average retail prices in the past year or the differences in retail price spreads among the provinces. The board goes on to question whether these differences in fact reflect regional differences in input costs. On checking today, I was told that there are 34 million pounds of broiler chicken in cold storage.

At the time the report was filed, there were 31 million pounds of broiler chicken in cold storage as of last September. The board finds that the Canadian Broiler Council's proposal for a national chicken marketing plan under the National Farm Products Marketing Agencies Act—

● (1550)

—features a narrow definition of the interests to be served in a national marketing plan and it does not resolve the problem of provincial versus federal jurisdiction which seriously impeded the effective working of the national egg marketing plan.

Therein the board underlined the most serious weakness of the national egg marketing plan, and that is the problem of jurisdiction, the problem of the constitution and the fact that CEMA consists of ten provincial marketing agencies which have full jurisdiction under the constitution. Unless these provincial marketing agencies are prepared to discipline themselves and to adhere rigidly to the agreed upon quotas, there can be no national marketing plan. That is precisely what has happened and that is why today there is no national marketing plan.

It should be remembered—I think this is worth pointing out for the record—that it was the Food Prices Review Board that touched off the egg controversy in the first instance. It made a similar report on eggs back in January of last year. At that time the Minister of Agriculture saw fit to ignore the recommendations in that report. He still has not responded to the board's report on the chicken broiler industry even though it was released early in January and contains serious charges that should be made the subject of an investigation by the minister or somebody designated by him. One would think the minister would have learned a lesson, but it is obvious that some people never learn. Perhaps the minister, if he graces us with his presence today, will tell us what he proposes to do about the findings of the board on the broiler chicken industry. Otherwise, he should tell Mrs. Plumptre and her people to go home and stop wasting the taxpayer's money if these reports are to be ignored, as they are from time to time.

In summation, I should like to say the following. We feel that the report should be referred to the Standing Committee on Agriculture so that we can get all the facts. On the basis of the evidence we have, the Minister of Agriculture was warned as far back as December, 1973—and that evidence was presented very clearly to the committee in a memorandum which was presented by the Farm Products Marketing Council—that egg surpluses were getting out of control and would continue to get out of control. The minister's failure to act on the report of the council at that time, his subsequent behaviour with regard to the report of the Food Prices Review Board and the publicity which attended the first revelation, can only be construed as an attempt to cover up this whole rotten affair—an attempt which, I am pleased to say, failed.

Let the minister now level with the House and with the country, because it is not CEMA that is on trial here but the whole concept of national commodity marketing agencies and the supply-management principle. Neither concept has been served well by this minister. At a time when Canadians are paying record high prices for food, and when there are rising farm input costs, we have a right to know if the minister intends to take steps to ensure that before any other national marketing plans are put in place the best interests of both producers and consumers will be protected.

Furthermore, the minister has an obligation to tell us that these things will be done not just as another ad hoc program, as an ad hoc reaction to a continuing crisis situation, but in the context of a national food policy which was recommended to the government by the Special Committee on Trends in Food Prices of late lamented memory, and that such a national food policy will not only honour our obligations and commitments to the people of Canada but our obligations and commitments to the people of the starving world.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to have heard the Minister of Agriculture (Mr. Whelan) this afternoon because many things were done by the Department of Agriculture and in my opinion many

good recommendations were made by him, but I do not know whether they were given any consideration either by the farm marketing board or by CEMA itself. Only the minister can give us that information because, due to special circumstances, this matter is not before the Standing Committee on Agriculture as it normally would be.

I was pleased to hear the hon. member for St. John's East (Mr. McGrath) say that later a member of the House will be moving an amendment recommending that this matter go before the committee on agriculture. I would certainly support such a motion. First, however, I would like to indicate two things. The previous speaker put great emphasis on the fact that consumers are not involved in marketing legislation. He has mentioned this on several previous occasions, presumably on behalf of consumers. I believe that that is one of the matters that was dealt with very effectively by the committee, and I think the hon. member stood alone in his contention.

Without doubt, marketing legislation does affect the consumer but it does not necessarily affect him in the way that the hon. member pointed out. Obviously it affects the consumer because a monopoly is being established, normally for the benefit of the people who are operating it—in this case, the egg producers—and who are deciding how many eggs should be produced, where they should be produced, and at what cost. The consumer is affected if the cost is too high. Conversely, it is true that the consumer will gain considerable benefit from orderly marketing if supplies are made available during a continuous period of time so that there are no shortfalls, at which time the price is exorbitantly high, and no surpluses when the consumer still buys a normal amount of the product and the remainder of the product depresses the market and the surrounding sectors affected by that market. If the price of eggs drops very low, other farming segments are affected, such as cattle, poultry, and so on, because this is a protein that can be used for various purposes.

● (1600)

Mr. Speaker, whether the producer will learn nationally to control his produce to his advantage in order to ensure a reasonable price, and at the same time supply the market with a suitable product over a continuous period, will depend on whether the agency we now have will bring together the constitutional problem of provincial versus federal control. If it is able to master this, in my opinion it will be able to serve the needs of the consumer and probably facilitate the consumer having some input in respect of legislation in this area.

For many months when the Farm Products Marketing Agencies Act was before the committee on agriculture, I fought against it, not because I was opposed to the idea of orderly marketing but because I was opposed to the idea of the federal government establishing a piece of marketing legislation which it would not be able to control. It seems to me that what happened in respect of the egg marketing legislation was inevitable because we operated the Farm Products Marketing Agencies Act for the first time in the development of a national agency that was dependent entirely upon provincial agencies. There was considerable discussion at that time by many provinces as to whether they were willing to give up their autonomy in establishing quotas and prices. There was a great deal of discussion on whether they were willing to give this up to the federal government or whether they would operate in conjunction with the other provinces under the umbrella of national marketing legislation. They opted, under the egg marketing legislation, to do just that. It is my opinion that this kind of marketing legislation will never operate satisfactorily. It will not operate satisfactorily because provinces will continually, in every agricultural field, be looking for self-sufficiency. If every province looks for self-sufficiency in every field, obviously there will be a surplus which no federal government will be able to handle.

On a number of occasions we have overcome this problem of federal-provincial jurisdiction in respect of agricultural production. We have done this in the industrial milk field. The federal government operates a monopoly in industrial milk products simply because we were willing to make a very substantial payment to get control of that field. The provincial governments have not become involved in it; they have allowed the federal government to operate it. I have heard very little complaint with the exception of price, which will always be a complaint with farmers, with workers and with everyone else when it comes to the sale of their commodities. But I have heard no complaint from the provinces as to the operation of the federal government in the industrial milk field.

To a lesser degree, because it affects a smaller number of people—but certainly in a much larger field—the federal government has successfully operated the Canadian Wheat Board which has a monopoly in three provinces and a monopoly, in a different way, in two other provinces. It has operated this monopoly on behalf of the producer over a long time and in my opinion has done so successfully. Any detriment which has occurred to the industry over the years, or to consumers, has been in my opinion due to meddling with that marketing agency and production: we have reduced its efficiency. I am convinced that federal marketing legislation is necessary. I am convinced that it is advantageous. Whether we can get the co-operation of all the people who joined CEMA is very doubtful.

The hon. member for St. John's East also complained about the fact that again there is building up a very large surplus of eggs, and if that surplus continues—it was indicated early in January that we had 40 million and we were increasing that surplus by 15 million per week—I think he has reason to worry. It is very interesting to note that his sidekick or mentor, Mrs. Plumptre, does not take his position. She said on January 16, referring to this vast build-up, as reported in the Toronto *Globe and Mail*:

> Beryl Plumptre, chairman of the Food Prices Review Board, said in Ottawa yesterday there is no need for panic over the 40 million egg surplus.
>
> "That's not an excessive amount," Mrs. Plumptre said. "It's certainly not anything to be panicking about."
>
> She said the president of CEMA has a tough job ahead of him, "so for goodness sake let's give him a chance to get the situation under control."

Mrs. Plumptre did not seem to be particularly worried about it. But two things which were involved at the same time really worry me. When asked about this matter, one of the officials of the Canadian Egg Marketing Agency said they had had a large build-up of eggs—they had 40 million plus the weekly increase of 15 million—but that was last week and now it has all been taken care of. I am

really concerned about that because I would like to know how it was taken care of and under what circumstances. How does one get rid of so many eggs, and under what circumstances? I am also concerned about another factor which is very important. The Minister of Agriculture gets into the act and indicates that we are exporting more eggs than we are importing. The Montreal *Gazette* of January 16, 1975, says:

> Canada imported about 72 million eggs from the United States last year and, at the same time, exported 156 million, most of them to the U.S., an agriculture department spokesman said yesterday.
>
> This seemingly strange set of circumstances, expected to change this year because of declining American production, results mainly from price differences in the two countries.

Mr. Speaker, this is one of the things that really confuses the Canadian public. The minister can say that we are exporting more eggs than we are importing. We imported 72 million and we exported 156 million. The eggs which we imported were table eggs: most of them went on the table in Ontario or in Quebec. But the eggs we exported were breaker eggs at about one-third the price of table eggs. So we are importing eggs for table use and we are exporting eggs for breaker use. It would be of great interest to me and to many other people to find out exactly how we got rid of the large number of eggs we had accumulated in January so that by the end of the month it could be said at the Moncton meeting that there was really no surplus and we were going to embark upon a reduction of the quota. At the same time, we have not been given any indication that quotas are being imposed on the importing of eggs.

I agree with one thing the hon. member for St. John's East said, and that is that the time limit imposed on the committee worked to its detriment. I think the committee did an excellent job. It held 24 public meetings, received 20 briefs and hundreds of submissions, and in those meetings it looked very extensively at the whole problem not only of eggs but of marketing legislation in a federal system. It made a number of recommendations, and I think we have a right to know what happened to them.

● (1610)

One criticism levelled at the Minister of Agriculture is, I think, unfair. I would be very opposed to a national marketing agency over which the minister would exercise the kind of control that is being suggested by some members. An agency should be able to stand on its own feet no matter who the minister is or what situation or emergency develops. So far this agency has not had to handle unexpected emergencies.

It has been suggested that when CEMA was established it had a large surplus of eggs on hand from the provincial marketing agencies, particularly from Ontario, Manitoba and British Columbia, and the surplus was never properly inventoried; we did not know where it was or what kind of storage it was in. Although it was in no position to take over that surplus, CEMA did take it over and finally eliminated it and now we are in the position where we only meet our requirements. One of the initial problems with CEMA was that it did not have people who were interested in establishing a national agency. Instead, it had people who were interested in being loaned from their own provincial sections to a national agency, to the advantage of the provincial agencies. That meant there was nobody looking after the over-all situation with a view to establishing a reasonable national quota. The people who were part of the agency did not have the time nor the expertise to embark upon a program to expand international sales.

It is my view that a national agency composed of provincial people had very little opportunity to get off the ground. One of the committee's recommendations was that the size of CEMA should be increased by three members and hopefully one of these would become chairman. It was felt that people who were properly oriented would look at the over-all position. The committee felt that the government should immediately look into the question of importing and exporting eggs. Surely it would be better not to import them from the United States. If we allow unmarked table eggs to come in from the United States, they can be packed in boxes displaying Canadian companies' names without any indication that they are not Canadian eggs. In Ontario, a large number of eggs come directly from the United States and to my knowledge the government has not taken steps, under the orderly marketing operations which are a right under GATT, to have these eggs labelled as such.

The committee made many suggestions about the bookkeeping of CEMA. The agency depended almost entirely on provincial boards for information on where and what surpluses there were. Sometimes the surpluses were counted twice, and sometimes storage places were missed. The auditors said that an audit could not be done on CEMA books nor on most of the provincial board's books, and recommended—and the committee agreed—that they should meet with the boards and establish a bookkeeping system. They wanted the provincial boards to follow the same set-up so that their audit would be acceptable to federal auditors. I should like to know, from someone on the government side, whether this has been done. If it has not, I should like to know why.

It was also suggested that CEMA be helped to develop a method of disposing of surplus eggs to the needy in Canada. The board indicated that they had investigated this matter, had not found a way to do so advantageously and had therefore temporarily set the idea aside. The committee also recommended that eggs should be in storage for a limited length of time and should only be kept there to meet the needs of Canadians. The committee agreed that some storage eggs could be marked as such and put on the market at a reduced price. It was suggested that eggs were sometimes held in storage longer than they should be because the board was in negotiation with the breaker trade. The report said clearly that if the eggs could not be sold for a reasonable price, CEMA could order them to be broken and converted to powder and then dispose of the egg powder as part of our food aid program to underdeveloped countries. The federal government was to pay for this conversion to powder. This course was better than holding the eggs in storage when there was no likelihood of their being used as fresh table eggs.

● (1620)

The committee was told that eggs could be stored for eight months and still be certified by the Department of Agriculture as fit for human consumption. Obviously, if

the eggs are to be broken in any event, there is no point in storing them for a long period. Why not break them right away? I think that was the committee's view. Many eggs that we eat today have been stored, not by CEMA but by the supermarket chains. They store the eggs until they can sell them at an advantageous price. This course has sometimes resulted in egg spoilage, as most housewives can tell you. If eggs were to be marketed within seven days of being laid, there would be no spoilage and housewives would not complain.

The other day the Minister of Agriculture said that unless CEMA functions more adequately, he will disband the organization. Farm marketing legislation gives him the right to abolish the agency. Experts appearing before the committee were opposed to marketing legislation, but they agreed that in the final analysis marketing legislation was beneficial. They did not support a national egg marketing agency. It was pointed out that bringing together the 33 people involved in CEMA was a major undertaking. However, unless the agency can work satisfactorily, its policies will again lead to disaster and the alternative will be one national marketing agency which will control all egg production in this country, in the same way as one board controls industrial milk. Although this course may simplify administration, it will not have the support of most ministers of agriculture in this country.

I hope the minister will tell the House which recommendations of the board he has put into effect. Personally, I think the committee did a good job and the government should heed its recommendations, as well as recommendations made by the ministers of agriculture who met late in November. Everyone agreed that if the agency could be made to work properly, producers would benefit, as would consumers who would have available high quality eggs at stable prices.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, before commenting on what other hon. members have said, I would speak about the situation which existed a few years ago in the egg industry. The industry experienced ups and downs; prices to consumers fluctuated and returns to producers fluctuated. The result was that many producers went out of business, and when high profits were to be made, the few who remained in business made them. In our society the farmer is not organized, nor is he part of a pressure group. He does not belong to an association of the kind to which doctors, lawyers and other professional people belong; that is, to an association which will safeguard his job and in some cases guarantee his income. Safeguards are necessary if people are to buy expensive equipment. The farmer buys land as well as equipment.

Members of occupational associations do not worry so much about booms or busts which have been traditional in agriculture. The farmer is alone, open to the elements and to the caprices of markets in which he is forced to sell. I do not think anyone in this House suggests that the farmer's position is enviable. He cannot foresee the weather. If he is a poultry producer, he does not know if and when disease may strike. If he is successful he may find, on going to market, that other farmers have been successful as well; and plenty in the marketplace means a low price to the farmer but, of course, a beneficial price to the consumer.

[Mr. Peters.]

I suppose many farmers and others in Canada have looked into this situation. I am proud to say that British Columbia was among the first provinces to consider the establishment of marketing boards. It is unfortunate that after our first experiment in establishing a national marketing agency so many eggs were destroyed because of mismanagement by the board. I do not think the farmer, the egg producer or the poultry producer was happy to see 28 million eggs destroyed. The consumer was not happy, either. When something like this happens, we all lose.

You must realize, Mr. Speaker, that there was a genuine desire for order in an industry which had experienced ups and downs, booms and busts and havoc for many years. The fact that 28 million eggs were destroyed after one year of operation does not detract from the marketing concept: it only proves that after a short period of time you cannot handle a large industry like this. You need control and expertise which is only developed over many years. You must become professional.

● (1630)

I have no idea whether the egg marketing concept will still exist in one or two years from now. However, if it fails, it will be a sorry day for both the consumer and the farmer. I have two views on this. I realize there was incompetence; there were managers who did not manage and producers who overproduced or tried to hide what they had produced. As a result, it is not just one man or one government that is at fault in this matter. I believe it results from a combination of all parts of the marketing scheme. If we are going to lay blame, let us put that blame on all sectors; let us not look for one man as a scapegoat.

Some hon. Members: Oh, oh!

Mr. Anderson: I hear some members of the opposition laughing. We have one Prime Minister (Mr. Trudeau), but we have many members. Don't blame the Prime Minister, the leader.

An hon. Member: The buck has to stop somewhere.

Mr. Anderson: Don't blame the general of the army if a battle is lost, because a general is only one man. This question involves many other people.

Mr. Lawrence: There's an old Chinese saying: He who gets swimming pool gets blame.

Mr. Anderson: I hear comments from the other side. I am glad they are awake.

Mr. Lawrence: We are, but it's a real effort.

Mr. Anderson: There were many parts of an organization, not just one or two. There is no use blaming the chairman of CEMA, the marketing board, the Premier of British Columbia or the Premier of Newfoundland. It is not fair to go after the jugular vein of one man in this House, because he was not the only man involved. I do not believe, in the short time we had to make this report, that that is the evidence that turned up. I wish to say a few words about the time-frame. The hon. member for St. John's East (Mr. McGrath) stated that the committee worked within a time-frame. Members of the committee

will recall that we sometimes met two or three times a day: it was a very busy schedule. However, when I look at the number of witnesses who appeared—in most cases to the satisfaction of the committee—I believe we heard from as many people as required to make a decision and recommendations on this matter.

I wish to mention just a few of the witnesses. We heard from the Minister of Agriculture (Mr. Whelan), the Minister of Industry, Trade and Commerce (Mr. Gillespie) and the Minister of Consumer and Corporate Affairs (Mr. Ouellet). We also heard from representatives of the National Farm Products Marketing Council, the Canadian Egg Marketing Agency, the Food Prices Review Board, the marketing boards of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec, the Newfoundland Egg Marketing Board, the Canadian Federation of Agriculture, the federations of agriculture of almost every province, the Canadian Poultry and Egg Council, the Consumers Association of Canada, the National Anti-Poverty Organization, and the University of British Columbia. The following organizations submitted briefs to the committee: the Christian Farmers Federation of Ontario, the Committee to Reform Egg Marketing in Ontario, and the Egg Producers' Association of Quebec.

It was stated that we required more time. All I can say is that we certainly hit all bases as far as representatives from the poultry industry and consumers are concerned. The only thing that could perhaps be faulted is that we could not spend two or three hours or days with each witness. That would have been impossible. I do not think it is necessary to spend a great deal of time if you can question the witnesses and sift through the information to the satisfaction of the committee. I do not believe we required any further witnesses.

There was reference to the fact that the CEMA auditors, Touche, Ross and Company indicated as follows in their report on the agency's financial statements ending June 30, 1974:

> Because of our inability to verify egg production levies, the cost of egg surplus removal program and the inventory, and because of the uncertainties arising from the financial position of the agency, we do not express an opinion on the accompanying financial statements for six months ended June 30, 1974.

That is a very harsh indictment of the CEMA board. The hon. member for St. John's East stated that these people should appear before the Standing Committee on Agriculture. I submit that if we look at what was said, they do not know how many eggs were produced, they do not know what the levies were, they do not know the cost of the egg surplus removal program, and the inventory is uncertain. No matter how many committees they appear before, whether it be the agriculture committee or a committee on the commonwealth of nations, they will say the same thing—that they do not know. There is no use bringing in these auditors because, according to the bookkeeping system of CEMA, they cannot tell whether the agency produces eggs or walnuts.

Even though that is a harsh indictment of CEMA by the accounting people, we are not discussing the faults of these people or what they did wrong. They made mistakes, obviously, otherwise we would not have had the committee. The point is, what further information could these people give us if they were called before the agriculture committee? I suppose they could elaborate; they could go up and down. However, they would say the same thing, namely, that the accounting procedures of CEMA make it impossible for them to know what is going on.

In all humbleness, I suggest that the hon. member for St. John's East is incorrect in asking that these witnesses appear before a committee of any type, because the same story would come out. Even though they have an inefficient method of counting eggs produced in Canada, and in many cases do not know where they have put the eggs, both the committee and the House could have been saved a lot of trouble if someone had learned the simple fact that you sell the oldest produce first: you do not sell the freshest produce first. What happens is that the old eggs get older and eventually rot. It is a strange thing to see happen in our day and age. We have refrigeration plants which can keep produce fresh for many months; we have modern equipment which can haul produce to refrigerator units; we have cost accounting; we have computers—yet somewhere along the line somebody forgot to tell the people in the warehouse that you don't leave the old eggs in there when you fill orders; you ship out the old ones first.

● (1640)

The loss of 28 million eggs amounts to an expensive lesson in the correct handling of eggs at a warehouse. I do not think we need expert witnesses before a committee of the House of Commons to tell us this. It is elementary. There is no need for accountants to tell us that they cannot make head or tail of the books. There is no need for provincial representatives to tell us that perhaps they were more interested in the effect on their own areas than in the national picture. All this is contained in testimony which the committee has already heard. We know about the pitfalls. We know where they went wrong.

After hearing this evidence, the committee made its recommendations—the recommendations contained in the report which is now before the House. As you know, Mr. Speaker, there is no way in which the committee can instruct the minister or CEMA to implement these recommendations. That is something for the provinces to consider and for the minister to decide. One of the recommendations which I would strongly urge the minister to carry out, and one which appeals to me on humanitarian grounds, is that surplus eggs should in future be distributed in such a way that senior citizens and people in receipt of welfare funds might make use of them. One of the reasons a surplus of eggs arose was that the egg breakers in Ontario and eastern Canada are controlled to an estimated 70 per cent by one firm, and it was obviously to the advantage of this firm to be able to buy eggs at as low a price as possible, despite the fact that this was bound to create a problem for the egg marketing system which was trying to get a fair price for its product.

Canadians, whether consumers or producers, feel strongly that we cannot afford to allow any food to be destroyed, either through greed or through neglect. Surely we cannot, in today's conditions, allow food which is so desperately needed throughout the world to go to waste here. I believe the CEMA people understand this responsibility and I hope the agony of the committee hearings, the several weeks we spent discussing this problem, made

them aware of their shortcomings. Surely they are smart enough at this point not to go through the whole exercise again.

Mention should be made of the special position of the Minister of Agriculture and his relationship to these events. The power given to the Minister of Agriculture is clearly stated in the course of the background respecting ministerial responsibility. On page 6 of issue No. 16 of the proceedings of the Special Committee on Egg Marketing, the following appears:

> The committee fully recognizes the principle of ministerial responsibility which is fundamental to the British parliamentary system and therefore effectively directs all of its observations and recommendations to the Minister of Agriculture for his consideration even though they have direct bearing on the operations of the National Farm Products Marketing Council, CEMA, provincial boards, provincial governments and other departments of the Government of Canada . . .
>
> The committee further recognizes that the Minister of Agriculture does not have any direct control over the operation of the Canadian Egg Marketing Agency. The agency has the obligation imposed upon it by parliament to report directly through the Farm Products Marketing Council. The Farm Products Marketing Council in turn has a responsibility and obligation to report to parliament through the Minister of Agriculture. The Farm Products Marketing Council Act passed by parliament does not envisage that the Minister of Agriculture directly would have responsibility for the day to day operations of the Farm Products Marketing Council. These responsibilities rest primarily on the shoulders of the management of the Farm Products Marketing Council itself.

On page 16:7 of the same report evidence is given to the committee by the legal advisers to the National Farm Products Marketing Council that unilateral action on the part of the minister or the agency was not possible. In other words, we are dealing with a conglomerate of ten provinces associated for the common purpose of establishing a stable price. Neither the provinces, the minister nor the agency can take action on their own. Possibly this is a weakness in the system. However, I suppose that in some respects it is rather like confederation itself, where the ten provinces sometimes work together and sometimes do not. It is unfortunate that provincial boards do not at all times submit to the will of the national board, but I suppose it is only understandable that they should wish to protect the interests of their own areas.

In any case, it would be foolish to suggest that the minister had it within his power to correct the situation which was developing, without reference to the other provinces and to the other boards. It would be a great disservice to the minister, who is recognized as one of the all-time champions of the farmers, to accuse him of failing to follow the progress of this agency as though he could throw out the life-saver which would rescue an extremely waterlogged board.

● (1650)

When hon. members have perused all the evidence given before the committee, I hope they will feel, as I did, that there was a genuine and sincere attempt by many people, who before the committee met had had very little experience of eggs, egg marketing boards and farmers, to outline the faults that had been created and to bring in remedies and cures for those faults. However, to return this matter to the agricultural committee would, I think, be a waste of time both for the committee and for the House.

[Mr. Anderson.]

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Madam Speaker, the Special Committee on Egg Marketing, of which I am a member, received very special terms of reference, that is to inquire into the performance of the Canadian Egg Marketing Agency, established under the provisions of Bill C-176.

The terms of reference of that body entailed very great responsibilities. That was evidenced by the seriousness all members displayed during all the proceedings which lasted several weeks. I wish to pay homage to all my colleagues on the committee for the responsible way in which they worked during the proceedings. They very objectively endeavoured to find out the weaknesses of this egg marketing program, put forth recommendations for its improvement and enable on the one hand, producers to get the income they deserve and, on the other hand, consumers to buy good quality eggs at prices they can afford. In my view, Madam Speaker, such was the objective to be set by the committee in order to serve the whole Canadian people.

A number of sessions were held, many witnesses appeared, as was aptly mentioned by the hon. member that moved the motion to debate the committee's report dated December 16, 1974. It is my conclusion that members of the Canadian Egg Marketing Board either showed levity, or failed to realize the extent of their responsibilities.

Under an act of Parliament, the Farm Product Marketing Council's responsibility was to establish, at the request of producers themselves, a marketing board, the Canadian Egg Marketing Agency. During the months after that agency was established, we saw problems were arising. Producers were not altogether satisfied with the scheme, and also egg marketing was not being conducted in an orderly fashion in Canada.

Newspaper reports appeared to the effect that eggs were let to spoil in various locations; FEDCO, the agency in the province of Quebec, was not adequately fulfilling its member's expectations, and in other areas such as British Columbia or even Ontario the orderly marketing of eggs fell somewhat short of expectations.

The Food Prices Review Board, the so-called Plumptre Commission, entered into the picture, presumably at the request of consumers complaining they could not get fresh enough eggs, or at reasonable prices they could afford, or the eggs offered for sales were unmarked and they were in doubt whether they were buying Canadian eggs or eggs imported from some other country.

The Plumptre Board made a few reports, made checks on the spot, determined that there were irregularities in this area, that there was something wrong, and it submitted its report. Every member of the special committee responsible for studying this problem was able to see certain recommendations that the reports of this board contain.

Madam Speaker, even after all this, the issue was raised in Parliament, and the Minister of Agriculture (Mr. Whelan) was faced with an extremely serious problem, namely that there was something wrong. A motion was then presented in Parliament asking that a special committee be instructed to examine all aspects of this problem

and to report to the House by a predetermined date, that is by December 16, 1974.

As concerns the Food Prices Review Board which I mentioned a moment ago, I would like to say that I have examined carefully the research that has been made and the exact complaints made by consumers which justified the need for a report by the board. After all that reading I came to the conclusion that the Farm Products Marketing Act in Canada with which we first experienced in the area of eggs did not give results that were really encouraging. So, to avoid such spectacular results in other areas, discouragement and the dropping of that legislation, something just had to be done.

I remember quite well, Madam Speaker, that when CEMA was established following the passage of Bill C-176 representations were made that that agency included only producers, people interested in the area of production, and they had neglected for reasons I ignore to appoint representatives from the consumer side as well when the minister under that act had the power to appoint two or three members on that agency as consumer representatives. Even if there had been two members from the consumer side, would we really have had better results? That is a question that may be asked.

The Acting Speaker (Mrs. Morin): Order. I regret to interrupt the hon. member, but it is five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York-Simcoe (Mr. Stevens)—Finance—Amount of tax liability reduction in 1975 due to indexing; the hon. member for Winnipeg North Centre (Mr. Knowles)—Canadian National Railways—Company's intentions respecting escalation of pensions of persons already retired; the hon. member for High Park-Humber Valley (Mr. Jelinek)—Public Service—Proposal government deal with unions representing single sectors of economy—Government position on establishing labour relations council.

● (1700)

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

Mr. Lefebvre: Madam Speaker, on a point of order, there was some talk that perhaps we would dispense with private members' hour today. However, I understand that the hon. member for Cumberland-Colchester North (Mr. Coates) wishes to go ahead with his private member's notice of motion No. 30.

PRIVATE MEMBERS' MOTIONS

[*English*]

ENERGY

SUGGESTION GOVERNMENT UNDERTAKE FURTHER STUDY ON HARNESSING BAY OF FUNDY TIDAL POWER

Mr. Robert C. Coates (Cumberland-Colchester North) moved:

That, in the opinion of this House, the government should give immediate consideration to the undertaking of any further investigations required to develop the information necessary to undertake construction of the dams that will harness the tides of the Bay of Fundy for power, in partnership with the governments of the province of Nova Scotia and of the province of New Brunswick, and using the Canada Development Corporation as the agency for financing the undertaking.

He said: Madam Speaker, I appreciate the opportunity to enter this debate today to discuss a matter that could not be more appropriate at this time than the development of alternate sources of energy which would materially assist in the overcoming of the anticipated shortfalls in energy which may face the Atlantic area of Canada. I am pleased indeed to see that the Parliamentary Secretary to the Minister of Finance (Mr. Cullen) is in the House, for he has indicated in past debates on this matter that all the support for an undertaking of this type does not come only from Atlantic Canada but that even Ontario is willing to join us in endeavouring to undertake the development of what might be considered a rather visionary type of new energy source that would be of value and benefit to the nation as a whole.

Let me say, first of all, that it is hard to find today a type of development in the field of energy resources that would produce power that is both pollution free and inflation free. Yet that is exactly the situation that exists in so far as tidal power is concerned. We in Atlantic Canada are most fortunate in that while for some time in our history it appeared that there was no way of developing the resources we had that would be useful not only to our area but to the nation as a whole, it has been discovered that many of these possibilities are becoming probabilities and some of them are very close to becoming realities.

It pleased me greatly to learn that the Minister of Energy, Mines and Resources (Mr. Macdonald) recently announced the development of further grid systems that will provides the means whereby power can be transferred from the Churchill River in Newfoundland to the province of Quebec as the result of improvements in the grid system in the area of Atlantic Canada, as well as the fact that initiatives will be taken to produce a cable that will go underwater between Nova Scotia, New Brunswick and Prince Edward Island to link Prince Edward Island to a grid system that will be part of our power program in the maritime provinces. It is also an indication that if we are to undertake something as substantial as the development

of the Fundy tidal power, we will have not just a regional grid but a national grid.

When our party was in office, initiatives were undertaken by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) to make such a national grid a reality. Discussions lay in abeyance for a number of years, but have been resurrected and are now actively under consideration again, so that the power that would be produced from the tides of Fundy—which at one time could only be used in the south, in the United States—could now probably be used in other parts of Canada, making the undertaking a Canadian project of benefit to Canadians not just in the Atlantic area but in Quebec and Ontario.

Perhaps one of the reasons the Parliamentary Secretary to the Minister of Finance in the last debate that we had on this matter indicated a willingness to line up with Atlantic Canada in the efforts to secure this undertaking is that he could see that in the long run, because of the many problems with which Canada was concerned east of the Ottawa Valley regarding the securing of a ready and reliable power pool, it would be able to benefit from the undertaking which I anticipate will come much sooner than was originally expected. It has been a long road to the point where we are in history today, as far as the Fundy tidal power is concerned. I am especially pleased to see my colleague, the hon. member for Cape Breton-The Sydneys (Mr. Muir) in the House because, like myself, he has advocated for a long time this method of securing power for the maritime provinces. We have been together on many joint undertakings which we hoped would further the cause of this particular development.

In December of 1974, the hon. member for Cape Breton-The Sydneys and I had the pleasure and opportunity of assisting Mr. Robert Monks, director of the department of energy and resources in the state of Maine, Mr. Stanley Tupper, former congressman, ambassador to Canada and counsellor for the state of Maine, Dr. Charles Berg, associated with the Department of Energy, Mines and Resources, and Dr. Mary Webster, also associated with the directorate of the department of energy and resources in the state of Maine, at meetings with the Minister of Energy, Mines and Resources, the Leader of the Opposition (Mr. Stanfield) and a number of other officials in Ottawa. At those meetings, not only was the Fundy tidal power discussed but also the possibility of developing power from the Dicky-Lincoln complex in the main and, as a further alternative, harnessing the power that is available at Passamaquoddy Bay.

These undertakings are all bilateral in that both Canada and the United States have to be involved in a very direct way. They are very important because both northeastern United States and eastern Canada must determine how we are going to use the resources we have to produce the power we require to guarantee that we will not freeze in the dark in the days ahead. Because we do not have the guaranteed oil potential of western Canada, we must look to other projects which will give us the same kind of protection which oil in the west guarantees that part of Canada.

• (1710)

I think that at all times we must consider our relationships with our friendly neighbour to the south and work out ways and means whereby we can be of assistance to each other, because the energy problem existing in Canada also exists in the United States. We have for a long time been great friends and great partners in developments of value and benefit to both nations. It saddens me at times to think that while we as Canadians went to the United States in the fifties and sixties and tried to convince them that they could assist us in the development of our oil resources by taking from us certain amounts of oil in order to allow us to develop our resources, today we are telling the same people, whom we convinced would have an assured market for oil from Canada, that maybe they cannot have the oil, and maybe this and maybe that and maybe something else. This is a far cry from what we told them in the days when we were trying to sell them our oil because we needed to do so in order to guarantee that we had an industry in western Canada. I hope that by looking at alternative resources and alternate means of producing the energy required, we can produce an over-all power pool by a combination of various means of energy resources which are available to all of us and which will benefit both countries.

Only last week Mr. Tupper made a determination on the availability of any surplus power resources we might have which would be of benefit to the northern United States. They have to make long-term decisions. They have to know if there will be surplus resources available to them and, if there are not, they have to know how they are going to handle the problem of producing the power they require in the days ahead. So it is important that we work together. It is also important, from Canada's point of view, to look at Fundy tidal power as a very unique type of long-term investment which will be of fantastic benefit, not just to the Atlantic provinces, not just to all of Canada but from an external point of view as well because there can be little doubt that this type of power will be developed around the world.

While the hon. member for Cape Breton-The Sydneys and I visited the La Rance tidal power project and looked at power possibilities associated with the harnessing of the tides there, and while we appreciated that it was a pilot-type project, we were also impressed when the director of that installation told us that that power project—which employed a type of construction which would not be acceptable today, certainly not acceptable in Fundy, and was very expensive from every point of view—has nevertheless shown that it can produce power and make a profit. If that is the case, there is no doubt that the tides of Fundy, with the highest tides in the world—around 53 feet—will produce power in the kind of volume which will make it feasible and a great asset to Canada.

But it will do more than that; it will provide our people with expertise in what is now a unique form of tidal power production. It will give them engineering expertise which will be important and useful. If our businessmen are as good as I think they are, they will use this development to produce a program of ways and means of selling our expertise to other parts of the world where it will also be useful. I think that apart from the federal government,

the province of Nova Scotia and the province of New Brunswick involving themselves in this undertaking and moving, as I see it, in a very active and energetic way toward the culmination of all the data required to bring together the information required to call tenders and to get construction under way, we must never lose sight of the fact that we have in existence in this country what is known as the Canada Development Corporation. As far as I am concerned, we have not used the resources available to this corporation in the way we should.

There cannot be anything more useful to the people of Canada than to undertake this great project with the dollars of Canadians, so that we can say we own lock, stock and barrel a resource which will produce the power that exists. For this reason I believe the Canada Development Corporation should be involved in the undertakings which are moving forward. We have heard from Baron Rothschild and we know that he is interested. We have heard from Americans. The hon. member for Cape Breton-The Sydneys and myself involved ourselves with a number of representatives of the biggest trading companies in Japan. They are also interested in Fundy tidal power. If all these people are interested in this project, as well as people from the United States, why can we not find the money right here in Canada to undertake the job?

I am very pleased with the progress of this project at this time. I do not think for a moment that we should do anything to impede it. As a matter of fact, I think we could move still faster. I believe we must put every emphasis on the development of this program. Before I sit down I would like to say that I think this type of capital works project is better than the 102 grants which might be made available to various industries in Atlantic Canada for producing employment, stability of employment and viability of the economy of that part of our country. This is the way it can be done. This is the way it should be done. I believe that if we keep going forward as we are now, this is the way it will be done.

Some hon. Members: Hear, hear!

Mr. Frank Maine (Wellington): Madam Speaker, the question of Fundy tidal power as raised by the hon. member for Cumberland-Colchester North (Mr. Coates) is a question which cannot be dealt with in isolation. It is part of the major energy problem facing us today. When I speak of energy, I am referring to all forms of energy whether it be derived from petroleum, from natural gas, from coal, from hydro-generated electricity, from nuclear energy, whether it be fission or fusion or solar, wind and tidal means of generating energy. This is the total framework in which study is needed in terms of both time and money so that priorities can be established. At present this is being looked at with a 12-month energy Research and Development study conducted in house under the auspices of the government. It is presently being finalized and I understand, will be tabled very shortly.

Looking ahead at this total energy picture, the big prospect of the future is fusion. Fusion is the joining together of two hydrogen atoms at temperatures of 50 million degrees centigrade, at which time the two atoms of hydrogen fuse together and form helium and give off a neutron and energy. If more energy is given out than is put into this reaction, you have an energy-creating nuclear reaction.

• (1720)

It is postulated by scientists that within 25 years we may expect to have harnessed energy from the fusion reaction. You may say the year 2000 is a long time away, but I remind you that in 1950, 25 years ago, there were some farsighted scientists who said that if we split the uranium atom we would have fission energy and could harness energy. As a result, today we have the CANDU reactor. This is recognized as one of the leading nuclear harnessing systems—

Mr. Coates: Madam Speaker, I rise on a point of order. I do not mind the hon. gentleman making a speech about nuclear power at the proper time, but I do not appreciate my private member's motion being misused so that he can say whatever he knows or thinks about nuclear power. If the hon. gentleman wants to support my motion, let us hear him say something about Fundy tidal power.

Mr. Maine: On the point of order, Madam Speaker, I think it is critical to this whole question that we get it in perspective. This is one part of the total energy picture, and I am trying to develop a spectrum to show the hon. member and others how this fits into the time-frame I am developing. Tidal power is one aspect of it.

Mr. Coates: Madam Speaker, I think if we were involved in an energy debate it would be quite proper to take that approach, but the question I have placed before the House relates to Fundy tidal power, its development and the ways it is to be developed. I take strong objection to the hon. member coming with a prepared text relating to nuclear power that is not associated with Fundy tidal power, and using private members' hour to speak about another matter.

The Acting Speaker (Mrs. Morin): I have read the motion. It deals with immediate consideration being given to the undertaking of any further investigations required to develop the necessary information. Perhaps the hon. member for Wellington (Mr. Maine) is about to come to this matter.

Mr. Maine: That is correct, Madam Speaker, and to do that I have to develop the whole picture so that we can put the Fundy tidal power project in proper perspective. I was about to recommend, logically, what should happen to this motion to show why fusion is a direction in which we should go. The fuel for fusion is hydrogen, and hydrogen is abundant as it comes from water. We have a great deal of water on this planet and it is very cheap. This is not the situation with uranium, which is presently the source of energy for the short-term future. The supply of energy derived from uranium is very limited; our proven reserves of uranium are 25 years in total. This does not augur well for our needs in the future.

The other aspects of fusion reaction which are attractive are not only the abundance of cheap fuel but the fact that there are no nuclear, radioactive waste products which are environmentally damaging. This has been a very serious problem with fission reaction with which we are coming

to grips now in Canada and the United States. Another attractive aspect of fusion reaction is that there are no weapons byproducts. This is a problem we deal with in this House; how to have safeguards against the abuse of weapons byproducts of nuclear fission reactions.

If we can agree that the long-term goal rests with fusion, then the rest of the problem is how to fill in the 25 years from now to the year 2000 at which time fusion will be supplying most of our energy. The traditional sources of energy will supply the bulk of our requirements, this energy being derived from oil, natural gas, hydro-generated electricity, coal and nuclear fission. The stopgap measures which will help supplement some of these dwindling supplies of energy are energy or fuel derived from the tar sands as well as energy derived from oil in the Mackenzie Delta and in the Arctic.

These have to be looked at in the time frame as well as the money frame. Billions of dollars are needed, as we have heard, just to operate the Syncrude product which is just one of several tar sands projects being contemplated. To get the proven oil from the Mackenzie Delta down the Mackenzie Valley by pipeline will cost about $5 billion for the first pipeline, and other pipelines are being thought of. To get the natural gas and oil from the Arctic Islands by pipelines, which will involve new technology because they go underwater, will also involve billions of dollars. We have a problem of time and money which we have to put together in a 25-year context. Ancillary sources to be investigated, but which are unlikely to play a major role, are energy derived from the sun, wind and tides. Wind is a form of sun energy—

Mr. Coates: Wind is what you have been producing since you stood up.

Mr. Maine: Wind is the direct result of the sun's energy being transmitted to the earth, heating up the air and forming differences in the surface temperature of the earth. Winds are created to somewhat equilibrate this. These three forms of energy are being looked at but are not deemed to provide a large amount of energy in the short term. Solar panels have been used in space and are being used in certain parts of the world. In Japan right now they have parabolic mirrors as a source of energy for heating the bath water, one of the few areas where solar energy is being utilized commercially. Solar energy is being looked at very seriously and is being contemplated in Canada. Historically, we have had windmills, but recent developments at NRC have used turbines with increased efficiency.

The third major form is tidal power. There are two or three aspects of this, but they have to be put in proper context with the other forms of energy. It is in this framework that the Bay of Fundy tidal power is being studied and will come to its final conclusion in due course.

Mr. Robert Muir (Cape Breton-The Sydneys): Madam Speaker, I am pleased to have this opportunity to say a few words on the motion of the hon. member for Cumberland-Colchester North (Mr. Coates).

[Mr. Maine.]

• (1730)

The hon. member who preceded me talked about the wind, the sun, nuclear power, and other things which had nothing to do with the motion before the House which reads, in part:

> ... the government should give immediate consideration to the undertaking of any further investigations required to develop the information necessary to undertake construction of the dams that will harness the tides of the Bay of Fundy for power, in partnership with the governments of the province of Nova Scotia and of the province of New Brunswick, and using the Canada Development Corporation as the agency for financing the undertaking.

I always thought the Canada Development Corporation was established to help the development of ventures beneficial to Canada. You know, the last speaker was so carried away with ideas about atomic energy and nuclear power that I wondered if he had been drinking heavy water.

Let me give some background. Ever since 1957 the hon. member for Cumberland-Colchester North (Mr. Coates) has been speaking both in this House and outside in public forums, about Fundy tidal power, and speaking about it as often as possible. In the past those in authority would smile and look askance if you talked about tidal power. Everybody thought the concept was out of this world, was not reasonable, not practical. But the hon. member was not discouraged and, as I say, has been pursuing this subject for many years. Now, all of a sudden we find that learned people throughout the world are interested in tidal power, particularly because we are experiencing an energy crisis. At least our government and other governments tell us this. So it might be useful to recall some of the people who, in the past, favoured the production of power from tides.

Going back some years we find that one of the people who favoured turning the dream of tidal power into reality was Michael Wardell, who published the Fredericton daily *Gleaner* and the *Atlantic Advocate*. Another was hon. Hugh John Flemming, who supported tidal power development when he was premier of New Brunswick. His close association with the right hon. member for Prince Albert (Mr. Diefenbaker), when the right hon. member was prime minister, resulted in the establishment of the Atlantic Development Board, which investigated the possibility of turning the dream into a reality.

Then came a change in government in New Brunswick. The government headed by Hon. Louis Robichaud favoured tidal power, and it was the Chignecto committee report on this question which, with the backing of Premier Robichaud, gave credibility to the idea of harnessing the tides.

In addition the idea found favour with leading members of the business community. K. C. Irving made numerous proposals, as did Les Kirkpatrick, the president of Nova Scotia Power Corporation, and people involved with the Nova Scotia Light and Power Corporation. They all supported this concept.

As times changed, people's opinions about the feasibility of Fundy tidal power changed. The idea is more widely accepted now. Today, both Premier Regan and Premier Richard Hatfield are in favour of developing tidal power. It should be noted that Premier Gerald Regan of Nova Scotia has pressed with vigour, both at home and abroad,

the development of power from the tides. He has made public statements in the past weeks and months to the effect that he is not entirely happy with the pace at which the federal government is becoming involved in this project. He wants to see the tempo of development quickened. I must say, however, that the Minister of Energy, Mines and Resources (Mr. Macdonald) has been most co-operative, and there is now hope that, with the help of the minister, the pace of Fundy tidal power development will move more quickly and come to fruition within a reasonable period.

Throughout the period when tidal power was merely an abstract idea the leading newspapers of the Maritimes, the Halifax *Chronicle-Herald* and the Saint John *Telegraph Journal* succeeded in keeping the project alive in the minds of their readership. There were dark days when skepticism almost overcame the region's enthusiasm, and these two newspapers materially aided in keeping the light burning.

Returning to the present, it is easy to see that we shall tread a difficult and costly road. Many unknown factors will need to be clarified over the next few years. I have already intimated that in our present Minister of Energy, Mines and Resources we have a man who has a real appreciation of the total energy problems facing our nation. We hope he will move ahead with this project. He has indicated, in his statements on the reviewing committee report, that he is not frightened by the complexities of Fundy tidal power and is willing to ally himself with our region if the new two-year study confirms the initial findings.

On December 4, 1974, an article in the *Chronicle Herald* bore the heading "France Only Site of Tidal Power Plant". It referred to the La Rance tidal power project in France. It is interesting to mention that the hon. member for Cumberland-Colchester North and I visited this project in France. Very likely we were among the first representatives of Canadian political agencies to visit it. May I quote from the article, as follows:

> Engineers have long dreamed of harnessing the enormous energy in the rise and fall of the tides to generate electricity, but so far only one site—La Rance, on the coast of Brittany, France—is producing commercial power.
>
> The huge sums of money required and technical problems stalled all other possible projects. However, soaring costs of producing energy from fossil fuels have renewed interest in harnessing tides to generate hydroelectric power, especially in eastern Canada.
>
> After a Nova Scotia government delegation visited New York earlier this month for talks with the investment community on a variety of projects, *Business Week* magazine reported that Canada probably would move faster than any other country in the west on the tidal-power question.

The sponsor of the motion told us of the way in which supporters of tidal power had been welcomed by the Minister of Energy, Mines and Resources and of the treatment they had been given by the department. This reminds one of what happened a number of years ago when President Franklin D. Roosevelt commissioned a study into the possibility of harnessing the tides of Passamaquoddy Bay, between Maine and Canada. Since Maine is about as far from Washington as Nova Scotia and New Brunswick are from Ottawa, the project came to nothing. It did not go ahead.

I hope that what has happened in the past will not determine what is to happen in the future. You see, at one time it was held that what was good for General Motors was good for everybody. That is not necessarily so. It was thought at one time that what was good for Quebec and Ontario was good for B.C., P.E.I. and Nova Scotia. Often that was not the case. The Seaway was constructed at great public expense to help all this country, and there is no doubt but that the harnessing of the Fundy tides will be of great benefit to all this country.

● (1740)

Les Kirkpatrick, president of Nova Scotia Power Corporation, told *Business Week* he estimates tidal power would cost 15 mills a kilowatt hour at the Fundy site, roughly comparable to the cost of nuclear power. The hon. member for Wellington (Mr. Maine) spoke about nuclear power. For his information, proponents of this project contend the advantage of tidal hydro projects is that the fuel—the tides—is inflation-proof because it is free and renewable and, unlike river-based projects, tidal plants would not run short of water during droughts. They also say a tidal plant would have a life-span of at least 60 years, double or triple that of a nuclear or fossil-fueled plant.

I do not want to take up too much time and talk out this motion. I hope it will come to a vote. I appeal to hon. members to give consideration to the motion sponsored by the hon. member for Cumberland-Colchester North (Mr. Coates) along the lines he has suggested. The Canada Development Corporation should become financially involved in any way possible.

Another point I wish to make is that far too often, particularly in latter years, those in the government and some in the opposition have attempted to pluck the feathers of the American eagle and throw darts at the Americans. Who would say that we should not co-operate with them technically if they were willing to become financially involved in Fundy tidal power as long as we had complete control? I think it would be a good thing. We often boast about the undefended border from east to west which has no guards, soldiers and so on. However, we seem to like taking pot-shots at the Americans. I feel we should try to co-operate in projects of this nature. Is the hon. member in the back row trying to say something?

An hon. Member: I will in a few minutes.

Mr. Muir: I would rather he stayed seated on what brains he has rather than interject from his seat.

Some hon. Members: Oh, oh!

Mr. Muir: I am learning from the Liberals. However, I do not want to learn too much from them, especially from the new experts who came here in 1972 and 1974. They think they have forgotten more than the most senior members of this House will ever know. My good friend, the whip of the Liberal party, realizes the situation. I am sure he understands what is going on. In any event, I wish to take my seat—

Some hon. Members: Hear, hear!

Mr. Muir: I appreciate applause, even from the other side. I appreciate it from anyone. Let us now hope they will vote for this resolution so that we can make some progress on the east coast, as is often done in Quebec and Ontario.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, like the hon. member for Cumberland-Colchester North (Mr. Coates) and the hon. member for Cape Breton-The Sydneys (Mr. Muir), I am pleased that at last we seem to be making progress with regard to harnessing the power in the tides of the Bay of Fundy. In view of the announcement by the Minister of Energy, Mines and Resources (Mr. Macdonald) it seems to me that the government would welcome this motion being passed by the House this afternoon.

I could again give my personal credentials for being interested in this matter. After all, my ancestry on my mother's side comes from New Brunswick and my ancestry on my father's side comes from Nova Scotia. That puts me on both sides of the Bay of Fundy.

Entirely apart from that I am a Canadian and, across this country, all of us are interested in developing new sources of power. This is one we have talked about for a long time and it should now be advanced. I am happy to indicate my party's support for this motion and—

An hon. Member: Where are they?

Mr. Knowles (Winnipeg North Centre): Once again, Madam Speaker, I am able to speak for my party, the next party, and also for the independent member for Moncton (Mr. Jones).

Some hon. Members: Hear, hear!

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Madam Speaker, it is always a pleasure to debate with the hon. member for Winnipeg North Centre (Mr. Knowles) in private members' hour. He and I have not had that opportunity too often in this parliament, but I know he always enjoys being a majority, even if it is a majority of one, which he is today.

Mr. Knowles (Winnipeg North Centre): Will the hon. member permit a question?

Mr. Cullen: Yes, Madam Speaker.

Mr. Knowles (Winnipeg North Centre): Since the parliamentary secretary has associated himself with me, will he follow my example and make it short?

Mr. Cullen: When you are five foot seven, Madam Speaker, everything you do is short.

Some hon. Members: Hear, hear!

Mr. Cullen: I commend the hon. member for Cumberland-Colchester North (Mr. Coates) and the hon. member for Cape Breton-The Sydneys (Mr. Muir). I am not one of the new experts from 1972 or 1974. I am an old guy from 1968 who does not know much about it. I say to the hon. member for Cape Breton-The Sydneys not to under-estimate the 1972 and 1974 classes as did some of his colleagues. They are now sitting on the outside while these fellows are sitting in here.

Some hon. Members: Hear, hear!

Mr. Muir: Let's hope they pronounce themselves on occasion and not just stay sitting.

Mr. Cullen: The unhappy part is that the older members use all the time, and this is very frustrating to the newer members.

From my earlier participation in this debate, the mover of this motion will know that, even though I am from Ontario, and those nasty words—central Canada—I have supported this proposition ever since coming to this House, and more particularly when I had the honour to serve as Parliamentary Secretary to the Minister of Energy, Mines and Resources. At that time I visited the area to look at the tides. The hon. member is correct; they do rise 53 feet. I did not measure them, but I am prepared to take the hon. member's word.

The mover of the motion and the hon. member for Cape Breton-The Sydneys will, I am sure, concede that the present Minister of Energy, Mines and Resources (Mr. Macdonald) has given fantastic encouragement to something that was only a dream or an idea. Rather than scoffing or laughing at it, this minister has taken up this matter.

As to whether the Canada Development Corporation is the proper agency to co-ordinate it, I feel that this is something a little down the road, a little in the future. I feel it should be done on a government to government basis. Frankly, I have my doubts about whether the CDC should be moving into this particular field. The CDC was told it would pretty well have complete freedom insofar as operating in the business world is concerned. We may be able to make suggestions, but we should not dictate what it should be doing in any particular field.

The merits of this operation are well known. There has been a series of reports. In October, 1969, there was a report on the feasibility of tidal power development in the Bay of Fundy, and the Atlantic Tidal Power Programming Board concluded that economic development of tidal power in the Bay of Funday was not feasible under prevailing circumstances. I am sorry I have to read that conclusion but I wanted to get that portion of the report correct. They did say they felt that additional detailed study should be authorized. Then they set out a series of conditions under which future studies might be carried out. The conclusion was that the project was not economically feasible, but they did not rule out the possibility of the project being feasible from an engineering point of view.

● (1750)

Subsequently a new report was prepared by the Bay of Fundy Tidal Power Review Board. This is described as a preliminary reassessment of the feasibility of tidal power development in the Bay of Fundy. That report came out in September, 1974. Here again, the subject is being considered by the three governments primarily concerned—the federal government, the government of New Bruns-

wick and the government of Nova Scotia. Both the provincial governments have given an impetus to this report.

When I heard this debate was to take place today I did some checking, and I learned one or two things which might be of interest to the hon. member. In fact I might even suggest to him that his motion is a trifle premature although I realize that on other occasions he was probably six or seven years ahead of his time. Today, however, he may be just a couple of months ahead.

The three governments I have mentioned have agreed to a further study, with respect to which the federal government would pay 50 per cent of the cost and the two provincial governments 25 per cent each. They will be looking into two main areas, first, the marketability of power and, second, the engineering requirements. I can say that the cabinet has approved this project—a decision was taken last week. I do not know whether this information has been made public or not; usually the hon. member gets such information very early because of his special interest in the subject. In any event the study has been approved, so the motion he is putting forward may be just a little premature—maybe we shall be dealing with it in a couple of months' time.

I know, Madam Speaker, there are some hon. members from the classes of '72 and '74 who are more knowledgeable regarding the engineering aspects of this proposal than I can ever hope to be, so rather than use up all the time available to me I should like to give them an opportunity to speak.

Mr. Knowles (Winnipeg North Centre): Question!

Mr. Ross Milne (Peel-Dufferin-Simcoe): I am pleased to join this debate for the remaining few minutes and to put on record that I am very much in favour of any power project which is economical, which fits in with our environmental concerns, and which adds to our total inventory of available energy.

I think one of the fundamental things in any energy policy that Canada must have is a substantial switch in the supply of energy away from petroleum base to hydraulic, to coal, to nuclear, and if the project we are presently debating shows signs of being economical we should proceed to study it.

One of the concerns in the whole energy picture that I don't think we have talked about very much in this country, or in this thirtieth parliament where we are changing a lot of the base loads from petroleum input to electrical energy, is the role of the provincial electrical utilities. I think the time is coming when the projects that they will be building will be tied together through a national grid, and there will have to be some type of agreement among these utilities as to the timing of all these projects.

It does not seem to me to make great sense that one utility would have a very large project coming on stream at about the same time as a utility in a neighbouring province. In such a case both the utilities would have a surplus; they would go to some lengths to make use of this power, and then presumably both of them might very well end up in the position of being short of power. On the basis of what the hon. member is proposing we will require a good deal of investment on and research into a much stronger grid across Canada, into which provincial utilities can tie.

I would hope research would indicate that we could go considerably above what is considered to be the design limit of 750,000 volts transmission at the present time. I am anxious that we do some research work on direct current transmission because in terms of the size of the country, and the length of the grid we need to deal with, these are very important considerations. However, in terms of the project we are talking about, I am most concerned that, however valid it may be from an economic point of view, and however it may be required for the supply of energy, someone should take a look at how we phase in all energy projects across Canada.

I just do not see that the Government of Canada has the economic resources to be building the Mackenzie Valley pipeline, to be pursuing the CANDU technology, the gasification of coal, and developing all of this all at the same time. Presumably we might end up with a good deal of the yield of that type of investment coming on stream at the same time.

One of the most important things we should be doing at this point is to stage matters so that each project or each level of technology in its own time would follow in its right order. I am encouraged from what little reading I have done on this project to believe that the economics of it are perhaps a lot closer to being viable than we once thought. I remember having read about this in some detail some three or four years ago, and at that time there was a question of whether it would ever be economically viable. But at that time we were not thinking of the price of oil on the world market approaching $12 a barrel. My understanding is that if we have to deal with oil prices at that level this project does become economically feasible.

There is one other thing we should indicate. It works in very well with some of the thoughts I have on the energy situation, a situation where a good deal of the input comes from nuclear, from coal, from hydraulic. Nuclear has to have a 24-hour load factor full-time, and coal is the type of generation that can be varied, but we do need a national grid with some type of input that can be used for peak demand periods. It would seem that tidal power would fit into this concept very very well, because I do not think we could afford or want to have a nuclear capability meeting the peak because then you would have technical problems—with what to do when the seasonal load, or in fact even the daily load, doesn't meet the situation.

I want to associate myself also with the remarks of the previous speaker concerning the Canada Development Corporation. I just do not think that this is really the vehicle that we should be using. One of the things about the Canada Development Corporation surely is that we hope it will invest in such projects as companies that have a high degree of Canadian technology, or in areas where it is most important that Canadian ownership be maintained.

I hope we will move before too long to enable the public to invest in that corporation. Without a viable portfolio it will not attract investor confidence, and if we saddle the Canada Development Corporation with the cost of all kinds of studies and so on, I suggest that this would interfere with that very basic objective.

The Acting Speaker (Mrs. Morin): I am sorry to interrupt the hon. member but the hour appointed for private members' business has expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

[*English*]

EGG MARKETING

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

The House resumed consideration of the motion of Mr. McGrath that the first report of the Special Committee on Egg Marketing presented to the House on Monday, December 16, 1974, be concurred in.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, as I was saying when the House called it five o'clock, CEMA was created as a result of the adoption of Bill C-176 at the end of 1971. Under that act, Parliament decreed that the provincial marketing boards should take into account the interests of both producers and consumers, and that the National Farm Products Marketing Council should supervise the application of the act.

Mr. Speaker, it has always been my understanding that Bill C-176 was intended as legislation to ensure co-operation between the producers, on the one hand, who deserve remuneration for their products and a reasonable profit margin to allow them good enough an income to provide for their families decently, and the consumers, on the other hand, who should be able to purchase quality eggs, in adequate quantities, and at a reasonable price. I therefore saw this legislation as a means to come to a better mutual understanding and to establish within our boundaries the marketing of an essential farm product in a way which would have met the aspirations of both consumers and producers.

The facts revealed to the committee showed that despite instructions from Parliament, the National Farm Products Marketing Board and the CEMA have neglected the interests of both producers and consumers as regards egg marketing. This is unfortunate, but those are the facts which came out of our meetings in this committee.

It is clear, Mr. Speaker, that the lack of planning before CEMA began its operations and the poor quality of its administration are at the origin of the failure of this marketing program. The evidence showed that there was little or no cooperation between CEMA, the National Farm Products Marketing Board and the minister himself.

The committee could not examine the reports of the CEMA and National Farm Products Marketing Board meetings because there were no such reports, which is extremely irregular. I have always understood that if an agency is legally constituted, it must keep minutes of its meetings and of the decisions that it makes so that those responsible for the control of the operations may report to whom it may concern at the appropriate time and place.

During the discussion on Bill C-176, Mr. Speaker, my colleague the hon. member for Richmond (Mr. Beaudoin) and myself had emphasized the need for an effective control on imports and exports. We had requested at the time that section (2)c) of Bill C-176 include any imported natural product, while the bill mentioned only any Canadian natural product. We wanted to include the provision that any imported natural product must be submitted to the same marketing requirements as Canadian farm products.

I well remember, Mr. Speaker, that during the night of December 30, 1971, when I was sitting exactly where my hon. colleague from Moncton (Mr. Jones) has just sat down, I had moved, seconded by the hon. member for Richmond, an amendment to Bill C-176 to include in the act the provision that imported products should be submitted to the same regulations as Canadian products, in other words, that any imported natural product should be marketed through marketing agencies so that these boards could control the need to import or export such or such a product.

● (2010)

Indeed, if one refers to the proceedings of December 30, 1971, one finds that at that time the amendment was put and the government side voted against the inclusion in that legislation of regulations to have imported natural products marketed in the same way as Canadian products.

Today, we find ourselves faced with a problem that would probably not exist if we had more assurances that that problem would have been solved by CEMA because they would have had efficient means to prevent importers from importing eggs when Canada did not need them. That is where the crux of the problem lies. We found in our discussions that it was mainly the importation of eggs for consumption, table eggs, as they are commonly called, when we did not need them that caused the problem. Those eggs were marketed without being indentified while the eggs of Canadian producers remained in storage, and those places had no rotation system, that is, eggs were coming in and out by the same door.

As often eggs were imported and took the place of Canadian eggs on the domestic market, Canadian eggs aged because they remained at the back of the storage and could not be taken out. That lead CEMA to order the destruction of a certain amount of eggs that were no longer fit for consumption.

Mr. Speaker, what is the point of having a Canadian Farm Products Marketing Act if we give free course of action to profiteers who import products and market them when we have domestic producers who cannot dispose of their production. They are profiteers, people who take advantage of a situation, who take advantage of a market to make profits while our farming organizations such as our Canadian Marketing Agency should be struggling in an almost impossible situation. To my mind, nobody here

would have done better because we lacked the tools that would have allowed us to do more.

I feel that is the core of the problem. People might say: The hon. member for Bellechasse must understand one thing, that is we must trade, export and import. I agree on that. However, when we import table eggs at a price three times higher than that of breaker eggs, which we can export, we must export a great number to be able to reach the price of table eggs, which we can and sometimes must import, when we are forced by need to do so. Mr. Speaker, I feel we are not being fair with the hon. Minister of Agriculture (Mr. Whelan). Although he may be blamed, he has a part to play. He has his responsibilities, but if we deal behind his back, he will not be able to make miracles.

The duty of the Minister of Agriculture is to assure the Canadian people that they will be able to obtain the amount and quality of food required to meet their needs.

Well, Mr. Speaker, it so happens that permit and licence controls as to farm products export and import are in the hands of another minister, who is often pressured by those who are interested in the import and export of these products for a profit and not for the common good of our country.

The National Farm Product Marketing Council and CEMA faced difficulties because, in spite of the leaders' goodwill, 3 million dozens of eggs have been put on the market. This is due to a quota set under Canadian law. In the meantime, importers have obtained licences to import from other countries a similar quantity of eggs put on the market without any quota and not liable to the Canadian products marketing. This factor tends to alter the normal play of supply and demand, since quotas can be established only from the data and needs of our home market.

Mr. Speaker, such is the problem. If we do not stop and pass legislation to provide the Minister of Agriculture with the required authority to issue those licences after consultation with the Canadian Egg Marketing Agency, there is no point making speeches in the House passing legislation. We shall never achieve the objectives we aim at because automatically cards are faked. This is my view on this question and this is the way I have spoken about it in the night of December 30, 1971. What I had foreseen then proved to be right. The situation we are now in is lamentable. Neither consumers nor producers are satisfied with it. I know producers who have suffered considerable losses. We still have to take that problem into consideration and study it as it really is.

Let's think a moment of the losses sustained by egg producers, when the laying hen has given everything it could, when it has produced everything it could in the 16 square inches of space that it can use. Then, he has to put it on the market under the form of meat, which is still good for human consumption, but at what price?

● (2020)

Mr. Speaker, I urge all members to look up in the newspapers the market price for fowl meat, that is layers not yet ready for consumption. They will find out, as I did and as I have known for a long time, that the offering price is 3 cents a pound only. How can we expect egg producers to compensate with the sale of a certain product, when the price is below cost and they have to stay in production to last through the production cycle if they want at some time to make a profit and remain in business.

When eggs are sold in the supermarkets, are the Canadian housewifes in a position to check whether they are buying Canadian versus American, Cuban or other eggs? Definitely no. All they know is they are buying eggs. I therefore believe it would be in the Canadian public's interest if we had an act under which products and product origin had to be identified, so our Canadian housewives would know. It is very well to tell customers to buy Canadian. But when the goods are not marked as to origin, how do you expect the consumer to follow suit? I feel the time has come we had in our statutes specific legislation providing for compulsory identification of products, applying even in the case of eggs.

It is already done in gloves for instance. When we import gloves, whether from India or Japan, they are so marked. Why not have the same thing with farm products? In my opinion, this would be a good way to protect those responsible for the management of farm products marketing against unneeded import penetration. We could then gauge those people's efficiency. We manackle them, we create enormous problems for them, and then we tell them they were not efficient, they were unsuccessful.

Mr. Speaker, I think we have to be honest with those people and act in such a way they could resort to this measure. If they do not succeed to their objective, we will then be in a position to blame them, to tell them they are incompetent, not fit to occupy such or such a post in such a government agency, including the Farm Products Marketing Agency. Mr. Speaker, I want to defend the interests of both producers and consumers. In so doing, I believe I work for the best interests of all Canadians. I believe this measure is required, otherwise, we will never succeed in meeting the objective we are aiming at.

I think that licenses for egg imports or exports should be issued under the authority of the Minister of Agriculture (Mr. Whelan). The minister knows my views about this. It does not mean that I do not trust the Minister of Industry, Trade and Commerce (Mr. Gillespie), but it is his responsibility to see that as concerns food Canadians are supplied in a reasonable way and reasonble quantities. If we lay some obligations upon him we also should give him tools so that he can fulfill satisfactorily his duties to all Canadians.

I am aware of the constitutional jurisdiction problem regarding imports and exports control and it is a very ticklish issue. When you wish to get your supplies from a province, a provincial marketing agency tells you: It is under my jurisdiction, I am the one who decides if such or such product must be imported or not. In another province it will be the same. It really becomes a problem, a constitutional issue. And we know, Mr. Speaker, how costly all those constitutional squabbles have been. Sometimes it was about important issues but sometimes it was for mere trifle.

The Canadian taxpayers have to pay for all this and while we are quarrelling and go to courts, lawyers are getting richer, judges are bored and have trouble making a decision. We, the parliamentarians, make everything possible to contribute to a spirit of mutual understanding

among Canadians. We make everything we can so that legislation be efficient, that westerners and easterners be able to live from their work. This is our only aim: Be able to survive, to have incomes related to the efforts we make to produce such or such a thing. Do not ask me to grow wheat on my farm, the soil is not good for it, but ask me to produce butter or milk and I shall tell you yes, but give me the possibility to make enough profits to earn my family's living. The Western wheat producer asks exactly the same thing.

Why should we bother with legislation, regulations and all kinds of mechanisms that are bothering everybody. When we could get through and go straight to the point. What is our goal, Mr. Speaker? We want to be able to distribute throughout Canada those quality goods produced by Canadians for Canadians in sufficient quantities. If we achieve that in the Parliament of Canada, why would any agency throw a spanner in the works, spoil that labour? We really could meet that objective so that eventually, throughout Canada, from Vancouver to Newfoundland, there might be some butter on every table. Whether that butter is produced in Quebec, in New Brunswick or in Ontario is irrelevant provided it reaches its destination.

If farmers need grain to process it into pork products, dairy products, or eggs, the agencies and producers must be able to rely on regular supplies to carry on such processing and then put that product unto public markets, according to some orderly organization, some appropriate mechanism—which I expected to find in Bill C-176. I as a Canadian would not wish this failure of the egg marketing concept to act as a deterrent for other producers. But all of us should roll up our sleeves and make a reasonable effort to try and cope with this situation.

If the Act has to be amended, let it be amended; if restraints have to be imposed, let them be imposed, but let something be done before it is too late, because every Canadian is watching this Parliament, watching everything we do, everything we shall decide, everything we shall do. Shall we accept to be paralysed because of the temporary failure of an agency called CEMA, or shall we go ahead and provide the Minister of Agriculture (Mr. Whelan) with additional powers? Any mistake we might make could not be worse than any past one, and could be termed another failure. But I do not think we will make a mistake if we act in that way and use the necessary means to achieve that goal.

What is the goal? It is better distribution throughout Canada of food products at prices tailored to the consumer's ability to pay and bringing farm producers enough revenue to allow them to live decently. That is all we are asking for, nothing more. I cannot understand why, in 1975, 264 members of parliament should fail to solve that problem. No need to wait a hundred years to do something. The time has come. Let us do everything we can and Canadians will be most grateful.

● (2030)

[*English*]

Mr. Cafik: On a point of order, Mr. Speaker, I think you will find there is general agreement in the House to limit speeches to 15 minutes for the balance of the debate tonight in order to give members of all parties an opportunity to participate. The Minister of Agriculture (Mr. Whelan) will be speaking, and he has indicated to me that he was not prepared for this and may want an extra two or three minutes. I think there would be agreement to that.

[Mr. Lambert (Bellechasse).]

Mr. MacLean: Mr. Speaker, we concur in the suggestion and I commend the hon. member for making it on the basis, of course, that the minister will not go excessively over 15 minutes.

Mr. Knowles (Winnipeg North Centre): We agree, Mr. Speaker—15 minutes for ordinary mortals, and 17 for the Minister of Agriculture (Mr. Whelan).

Mr. Deputy Speaker: Order, please. Hon. members have heard the suggestion of the hon. member for Ontario (Mr. Cafik). Although there is a limiting factor in the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) I wonder if this should be applied by the Chair, or does the House wish the time for the minister to be more flexible?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is it agreed that speeches be limited to 15 minutes, with reasonable extension for the minister?

Some hon. Members: Agreed.

Mr. McGrath: He needs all the time he can get.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I welcome the opportunity to take part in this debate although I believe the time could be better used for some important legislation.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Whelan: We can make a comparison, Mr. Speaker, between some of the world's best remembered speeches. For instance, the Gettysburg address comprised only 268 words. Somebody counted the words used in the committee hearings inquiring into egg marketing, and it was a million some hundred thousand. I only hope that 268 words of my speech will be remembered tonight.

This thing called CEMA, the first born child of national marketing legislation, was asked for by the producers and the provinces, and it is basically their responsibility to provide the co-operation to see that it does what they want. Some people have said that last year I could have controlled CEMA. Under the authority I have as Minister of Agriculture all I could have done was tell them they were finished by withdrawing the federal authority vested in them. I thought it better not to do that.

Some people have said that I covered up the facts. I want to say again as I said before, that is a falsehood and anyone who has studied the situation knows that.

I hope that within the next ten days we can announce the appointments to the National Farm Products Marketing Council, Mr. Speaker.

On December 16 I gave the Canadian Egg Marketing Agency an ultimatum: come up with a workable plan or

the federal government will take away your power to operate. The deadline was February 15. The date has just passed, and I am pleased that CEMA is getting a grip on surplus production.

Since mid-December CEMA has reduced the quota allocation to seven provinces by 10 per cent. The other three provinces' quotas were not reduced because they are each less than 2 per cent of the national quota.

Whether this 10 per cent cutback is felt in the hen house or merely on paper is up to the provincial egg boards. These boards have given us proof that they have a plan that will work. I give you an example. Early in February the provincial egg boards voted that CEMA be given the power to seize, detain and dispose of eggs and fowl that are excess to quota. This is a big step in the right direction. If given this power CEMA would become a policeman with a club. Until now the agency has not been able to do anything more than shake its finger.

The fact that the provinces realize that CEMA must have this added power is the biggest news for the Canadian egg industry since CEMA was born.

Recently CEMA has also ruled that provinces with less than 5 per cent of the national quota can adjust their quotas up or down by 10 per cent on a quarterly basis to supply seasonal tourist demand. This kind of flexibility is proof that the agency is maturing and can deal with changing situations.

CEMA's future depends on the provincial boards. This is a fact.

The parliamentary committee on egg marketing, I as the Minister of Agriculture and, most important, CEMA's members, are demanding an end to deficit financing. In fact, all provinces have agreed to pay as they go. That is the kind of news for which we have been waiting.

Some still owe CEMA backdebts for 1974. But I am glad to see most of the provinces have now either paid up their debts incurred in 1974 or have made binding agreements to rid themselves of these debts by the end of the year.

These are some real proofs that egg producers are going to make CEMA work. I would make a good sized wager that we are only one year away from having the most sophisticated planned production system in the world. That does not mean there are not a lot of problems that must be tackled. There are, and they must be tackled promptly, and without regional bias. The parliamentary committee probed many of these problems. Some of the committee's recommendations have already been carried out by CEMA but it is urgent that many more be implemented, and soon. However, I want to alert hon. members. There are specific parts of this report that I feel could be premature. There are other recommendations that could be so hard to work, or so costly to carry out, that they would be of less benefit to producers than meets the eye.

I want to outline briefly the major strengths and pitfalls of the report. Its major strength is its recommendation that CEMA have tough policing powers. This goes hand in hand with the recommendation that each regulated producer be put on a computerized card system. This demands that provincial egg boards feed what each producer's flock size is, the age of his birds, his daily egg production and the death rate of his layers, into the computer each month. These figures, double-checked with a pullet permit system and grading station records, will do two things. They will let CEMA tailor supply much closer to demand and give the facts needed to get a clean sheet from the auditors. This bill get rid of a lot of guesswork. We will know how many hens we have, where they are, and how many eggs they are laying.

Right now producers are paid the full price for their eggs when they take them to market. If the market sours, CEMA and the provincial boards charge producers a levy to cover their losses. The committee recommends discarding this system, and instead giving producers an initial payment covering production costs. The final payment would be what remained of the market price, after deducting the marketing costs. There would be no levies for egg removal, and no debts for either CEMA or the provincial boards. This system has been used successfully by other commodities in Canada. If it can be applied in the egg industry it could break important ground for the egg producers of Canada. The partner recommendation to this calls for CEMA to have a third party work out the costs of production in each province.

● (2040)

I want to see all farmers producing over their quota to be penalized, so that the people who abide by the rules are not ripped off. I want the provincial egg boards to play fair ball, too. Some have been paying the salvage price to their producers over-quota eggs, then getting a higher price from CEMA for some of these same eggs by passing them off as within-quota eggs. The inquiry uncovered this and I commend the committee members for doing so. It has to be cleared up.

The committee calls for licensing of imports and exports. The recommendation is that the maximum volume of eggs licensed in any month should not exceed the average volume traded in that month during the last five years. I am right behind licensing all imports and exports. However, I also want to see a provision for licensing larger shipments of either imports or exports. There may be a periodic need or an opportunity for larger shipments that will not hurt, and may benefit, our producers and consumers. Producers have been waiting for this kind of common sense market protection. It deserves the support of all hon. members.

Now for the pitfalls: the report asks the federal government to consider having the federal and provincial governments each pay 25 per cent of the cost of removing within-quota eggs that are surplus to the table market. I cannot back this. It would encourage overproduction. I do not want to see producers gear up production to fill a phony market that does not pay them the price they need.

The report also wants the Consultative Advisory Committee to CEMA to review and assess all major policy issues. Is there not a real danger that bias and self-interest here could taint the input this group would give?

I also have doubts about putting a grade "A" storage quality egg on the retail shelf. Canadian grade standards are one of the highest in the world. I do not think consumers want to give up this high quality. On top of this there will hopefully be few, if any, eggs in storage. So, this grade could seldom be on the retail shelf and certainly not in all

centres. I think all Canadians are entitled to high quality produce of all kinds, including eggs.

I back the recommendation calling for two additional appointments to the board of directors. I will work with CEMA to do this but I will insist that these new directors have a national outlook. I do not want the hands of these two new people to be tied with political strings or regional loyalties. I would also caution, again, that there may be more problems than we can spot at first glance in carrying out some of the committee's recommendations. Let me give you a couple of examples.

Selling eggs at a discount price to the disadvantaged is something I am right behind. Consumers will be, too. But, can it be done for a reasonable price? Should all Canadians not help foot the bill? What are the full implications of regulating all producers with flocks of more than 100 birds? There are many, and we have to probe them carefully before we steer the industry in that direction. As I said, if the eggs are to be sold at discount prices to the disadvantaged, should not all society foot the bill? I do not think that the producers of a commodity should be asked to pay if the surplus production of any given product is to be made available to the disadvantaged at a lower price.

Consumers should welcome many of the regulations. Selling discount eggs to the disadvantaged is only one. The report also calls for marking all eggs with the country of origin; rotating CEMA stocks to prevent spoilage; and more reporting to the public. Now you know how I weigh these recommendations. One more thing you should know as grist for the debate is that CEMA today owns no shell egg stocks. The only province that has stocks is Ontario, and those eggs are already sold. They are merely being held until they can be delivered.

You should also be aware that CEMA has already implemented a number of these recommendations. I will list some for you. The agency has hired a manager. It is giving a monthly report of its activities to the council. In Nova Scotia production facts are being fed into a computer on a trial basis. CEMA is in the midst of a thorough audit of provincial egg boards. The agency is already exploring export markets. Members of the National Farm Products Marketing Council have just returned from the Middle East and Europe. Some sales have been made in Hong Kong. More are being negotiated right now with other countries. Cases of one province accusing another of dumping are being investigated. If the evidence is strong enough, charges will be laid. A number of the provincial boards have cracked down and are getting truer hen counts and production records.

Today I received a telegram from seven, possibly eight, provinces which told me what they are doing. I am happy about what most of them are doing.

What hon. members do with this report will have a major impact on the egg industry. I support this report, as a source of suggestions to give CEMA leadership in the future. When CEMA fulfils all of these recommendations, we all—most of all members of the parliamentary committee and members of CEMA—will have something to crow about.

Mr. Jack Murta (Lisgar): Mr. Speaker, before I make my main comments I wonder if I might ask the minister to answer a question. He mentioned that he had received, from the provinces, telegrams outlining provincial plans. Could the minister take the House into his confidence and table these telegrams, so that members of the House can also take an objective look at them? That way we shall know what CEMA is doing and where it is going. Or, if the minister does not want to answer this question now, or heed my request, perhaps he will take what I have raised as notice.

Mr. Deputy Speaker: Order, please. In the interest of procedure it would be proper to consider the hon. member's request as a request for the unanimous consent of the House to allow the minister to answer this question. Does the House agree to allow the minister to answer the question, if he wishes to answer?

Some hon. Members: Agreed.

Mr. Whelan: Mr. Speaker, the best way I can answer is by saying that most provinces agreed to what we asked them to do, although some have certain reservations. I think the hon. member knows I cannot table the telegrams unless and until I go through the usual procedure and obtain permission of the provinces. I will do that as soon as possible.

Mr. Murta: Mr. Speaker, thank you for allowing the minister to speak. If he cannot table the telegrams at this time perhaps he would consider making them available to the Standing Committee on Agriculture, for scrutiny and discussion. I shall move that this matter be referred to that committee.

I will not take up the time of the House in elaborating on the history of CEMA, for it is well known to hon. members. I do not think any member is proud about what has happened in egg marketing since the inception of the national egg marketing plan. The difficulties arose because of mismanagement, as the committee found, and because of personality conflicts within CEMA. These factors were responsible for many of the agency's difficulties.

● (2050)

If we are to talk about one major problem, from my point of view it is management of the program that is lacking. I understand a manager is being hired for a five year period. That will allow the person involved to get into the whole aspect of egg marketing in Canada. As a result, I hope a lot of changes will come about, such as those recommended in our report.

My main reason for speaking this evening is to state that we in the Conservative party feel we did not have enough information on which to base an objective decision when the committee report was made on December 16. When you consider the period that has elapsed since December 16, this would have given time to go over the objections and some of the matters we felt should be looked into further, and we might have been able to present a far more complete report.

One problem is that we could not have the auditors as witnesses. It has already been mentioned that the management committee did not have an opportunity to appear before the special committee. The provincial ministers of

agriculture made a decision which changed the course of what happened. That also had a bearing on what we felt was really a "short change" because of the time restraints on the committee. We feel this matter has not been really resolved.

The minister spoke this evening. His speech was certainly soothing in many respects. However, we still do not believe the matter is resolved. We would like to see it discussed further, and the place for that discussion is the Standing Committee on Agriculture.

As I listened to the Minister of Agriculture (Mr. Whelan) this evening, he reminded me of the syndrome that exists in that corner of the House with regard to the Minister of Transport (Mr. Marchand). When things were going wrong, he certainly was not to blame. He did not want to accept any responsibility. It was put off of and on to other parties, but you can bet your last dollar that if and when the plan works, the Minister of Agriculture will be the first to stand in this House of Commons, and at meetings across the country, accepting full credit for making the plan work. He cannot have it both ways. There is certainly enough evidence to indicate that the Minister of Agriculture really did not take his job seriously. That is another reason why we want this whole matter looked into further.

Probably the most important point now is what will happen to CEMA in the future. Do we want it to continue? The Conservative party certainly would like to see it continue. There is no doubt about that. As I mentioned before, there were a lot of problems, and a lot of mistakes were made along the way. However, we feel it should have another chance to prove itself. Hopefully, the recommendations and program for CEMA and the producers will be implemented in the future.

If we agree on that aspect, we must move ahead to try to make the program work. If, after two years, we find that CEMA has lost control over the provinces, the producers and its own inventory system, we should take another hard look at it. If that happens possibly it should then be disbanded. Until that time, however, all parties in this House should work toward making it a better vehicle, not only for the producers but for the consumers. One cannot exist without the other. They both have to work together much more closely than in the past.

Before I resume my seat I wish to move an amendment. I move, seconded by the hon. member for Northumberland-Durham (Mr. Lawrence):

> That the motion be amended by striking out all the words after "1974" and substituting therefor the following:
>
> "be not now concurred in but be referred to the Standing Committee on Agriculture for consideration and revision in order to better examine and inquire into the provisions of the terms of reference of the said special committee, other than the instruction to report by deadline."

We feel this is reasonable, especially in light of the statement this evening by the Minister of Agriculture that the provinces are making some moves to set some of that information out for him. If the amendment is accepted, I hope the matter will be referred to the Standing Committee on Agriculture as quickly as possible so that the points raised by the hon. member for St. John's East (Mr. McGrath), myself, and others can be dealt with there.

Mr. Deputy Speaker: At first glance I have some reservation as to the acceptability of the amendment as proposed by the hon. member. Because of the time limitation on tonight's debate and the fact we may not deal with this tomorrow, I hesitate to invite procedural debate. I do not want to prevent hon. members from presenting argument. If I were to make a decision on the proposed amendment, I would reject it. I will leave it to the House. I see two members seem ready to speak. I invite their comments.

Mr. McGrath: In view of the limitation placed on the House by the clock, Mr. Speaker, I respectfully suggest that Your Honour hold your ruling on the amendment until ten o'clock.

Mr. Cafik: Mr. Speaker, it may not be necessary at this time, but I was simply going to argue that, in my view, this amendment is out of order. In light of the time limitation I do not think it is necessary to pursue that course.

Mr. Deputy Speaker: I was trying to avoid taking away the time available for debate. If it is agreed, I will hold my decision until ten o'clock. Hon. members may wish to enter into a procedural debate at that time. We will then see what is the wish of the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I simply suggest that the Chair hold its decision until the next time this order is called. There is not much point in having a decision at ten o'clock tonight unless we are going to come back to the motion.

Mr. Deputy Speaker: I will withhold my decision until later.

● (2100)

Mr. Alan Martin (Scarborough West): Mr. Speaker, I am particularly pleased to have the opportunity to speak on the motion put forward by the hon. member for St. John's East (Mr. McGrath) dealing with the report of the Special Parliamentary Committee on Egg Marketing tabled in this House on December 16 last.

I say this because, as a new member of parliament, participation on this special committee gave me a unique opportunity to become familiar with the important role which can be played in our parliamentary system by special committees which are given specific terms of reference and required to report back to the House by a specific date. This specific mandate and timetable provided the sort of incentive which encourages committee members of all parties to concentrate on the task at hand with a degree of determination and objectivity which, in my brief experience, is not always present in the sittings of some of our regular standing committees.

The other general point I should like to make is that, as a member representing an urban riding, participation in the work of this committee also provided me with the opportunity to gain at least some important insight into one small area of the many problems besetting the agricultural segment of our Canadian society.

In the few minutes available to me tonight, Mr. Speaker, I want to underscore certain recommendations contained in the report of the special committee. My selection of

these recommendations, four in number, is made simply on the basis of my view as to their significance in relation to the overall subject of attempting to regulate egg production and marketing in this country. The recommendations to which I refer are as follows:

H-2 and H-4—Implementation of import/export licensing and specific identification of imported table eggs

A-6—Annual progress review by all signatories to the federal-provincial agreement

B-5—The active involvement of the Consultative Advisory Committee including meaningful participation by representatives of the non-producer segment

In the matter of recommendation H-2 dealing with the need for an import/export licensing system in accordance with acceptable provisions under the GATT agreement, it seems to me essential that CEMA have as a minimal responsibility that of maintaining appropriate records and issuing regular reports on those table eggs which are making their wayon to the Canadian market having originated from sources outside Canada.

It became clear to the committee during the hearings that this is an area over which CEMA has in the past exercised no control. An example of the significance of imported table eggs to this whole question of controlling production and distribution of eggs within Canada is the recent importation of 926,000 dozen eggs from the United States for marketing to Canadian consumers during the weeks ending from December 7, 1974, through January 4, 1975. This is the equivalent of roughly 50 carloads. Bearing in mind that in the province of import, which I understand in this instance to have been Ontario, the committee is recommending that production be controlled in the case of flocks of 100 or more hens, it is quite obvious that an importation to the extent mentioned must constitute a significant factor in the overall production and distribution of eggs in the Province of Ontario.

Whether or not CEMA itself should be involved in the allocation of import/export licensing permits is something which will, no doubt, require further consideration. It does seem to me, however, that the agency would be providing inadequate reporting statistics on egg production and marketing in the months ahead were it not to make specific reference to the quantities being imported and exported month by month. In fact, Mr. Speaker, failure to take into account the quantity of table eggs coming into Canada from outside tends to render the whole scheme of production and marketing controls within Canada something of an exercise in futility.

Recommendation H-4 relates to the identification of table eggs in the supermarkets. It is my belief that Canadian consumers of agricultural products are equally as interested as those purchasing manufactured products in knowing that the product they have been offered originates outside their native land. In fact, it might be argued that consumers would be more interested in knowing they were purchasing non-Canadian eggs than they might be if it were a matter of other non-Canadian products purchased on a daily or routine basis. In my view it is entirely possible that an indirect but important effect of such identification of imported eggs could be the eventual reduction in the overall quantity of table eggs imported into Canada each year.

[Mr. Martin.]

The third recommendation on which I should like to comment is the one dealing with the involvement of the provincial ministers of agriculture.

The national plan under which CEMA derives its very existence was an agreement signed by a number of signatories, including the provincial ministers of agriculture. I would emphasize this point for the benefit of the hon. member for St. John's East who is still maintaining that sole responsibility rests with one of the 11 ministers involved, that is to say, the federal minister. The co-operation of these provincial ministers and provincial marketing boards which fall directly or indirectly under their jurisdiction is obviously of paramount necessity if the marketing scheme envisaged for handling eggs in this country is to work effectively. For this reason it is my view that provincial marketing boards should not be permitted to announce their withdrawal from CEMA in the absence of prior consultation between such provincial boards and their respective provincial ministers as well as with the federal Minister of Agriculture.

It has been noted recently that two provinces, British Columbia and Newfoundland, have announced their intention to withdraw. What has not been noted is any indication of prior discussion at senior ministerial levels prior to such announcements having been made by the heads of the two marketing boards. It is for this reason that I wish to underscore recommendation A-6 which requires at the very minimum an annual meeting of the National Farm Products Marketing Council with all signatories to the federal-provincial agreement and other directly affected parties, to review progress and achievements as well as to air areas of concern to the industry in order to avoid serious problems which could be developing.

In my view, the potential withdrawal of any one of the provinces from the national marketing scheme is indeed a most serious problem. All aspects should be carefully considered and discussed at a national meeting prior to any option for withdrawal being exercised or even announced in an official way.

The last point to which I wish to address my remarks this evening is recommendation B-5. This is the recommendation that endorses the concept of involving what I might refer to as the other side of the equation in the many consultations that must obviously form part and parcel of CEMA's operations. It became obvious to members of the committee during the recent hearings that both CEMA and the various regulatory bodies within the provinces are strictly producer oriented. Yet it is clear that the production and consumption of eggs in Canada is of as much concern to the consumer element of the general public as it is to the producer element.

Failure to accede to this concept of involving non-producer elements of the public in at least an advisory capacity will lead in the long run to further credibility gaps in the operation of the egg production and marketing scheme. Recommendation B-5 attempts to accomplish this goal without at the same time endeavouring to control the decision making ability of the CEMA organization. It does this by proposing an effective and meaningful role for the Consultative Advisory Committee that was envisaged in the original federal-provincial agreement. The problem to

date has been that this particular committee has not been activated in any meaningful way.

● (2110)

I believe that all recommendations in this report of the special committee on egg marketing are important. My selection of four of these recommendations for purposes of discussion in this debate should not be interpreted as an inference on my part that I do not consider the other recommendations to be significant. Indeed they are, and I have no hesitation in endorsing them in the hope that all recommendations in the report will be given most careful consideration by the various authorities to whom they are directed.

In conclusion let me say I tend to agree with the emphases placed by the mover of the resolution, the hon. member for St. John's East, on those recommendations contained in the report to which he has made reference. My major disagreement, however, is with his continuing efforts to place the blame for the problems of CEMA to date at the feet of the federal Minister of Agriculture, when he so well knows, as do all participating members of the committee, that CEMA will only be effective when it receives the full support, in practice as well as theory, of all 11 ministers across the country.

Mr. Allan Lawrence (Northumberland-Durham): Madam Speaker, I do not believe I will take up all the time that has been allotted to me. Those of us who were privileged to sit on the parliamentary committee that studied the egg mess for a number of weeks put in an extremely busy time at meetings which were going on morning, noon and night. I think I speak for all of those members when I say that it was a very interesting time. Many of us learnt—at least, we think we have learned—a great deal about the egg industry of this country. We learned a new language, really. Not only did we learn about quotas but we were introduced to such phrases as the "crack market", the "shell trade", the "fresh trade". Indeed, it was almost like going back to law school and learning legal phrases and jargon. A lot of us had to learn a completely new phraseology.

An hon. Member: "Sunny side up."

Mr. Lawrence: Yes, "sunny side up". I think we got a little too involved with many of the details, and this is one reason I am not going to go into too much detail tonight.

Underneath it all, Madam Speaker, when you really sat back and thought about it, was there not something, and is there not still something, screwy about what is going on in Canada and in the world today, especially in terms of agricultural production? We all know there is a world wide shortage of protein foods. Yet all we talk about are quotas, restrictions, and measures such as that, including planned production and supply control, all of which ultimately will have but one effect and one effect only, namely, the limiting of production of a very valuable food, the lack of which is causing starvation in some parts of the world today. As I say, there must be something screwy about this.

I must say the minister did not get off as easily in the committee as he got off in the House tonight. He can disclaim responsibility all he wants. He can say "No, it's not me, I have nothing to do with it, and the government has nothing to do with it". But I would remind him that the federal Minister of Agriculture accepted responsibility for a national egg marketing scheme in this country and, to put it as simply as I can, this Minister of Agriculture boobed, and boobed badly, in respect to this particular industry. If the minister was going to take on this job in face of world wide shortage of protein, in face of the supply situation, the feed situation and the existing production situation in this country, then I do not think he can shrug off his responsibility in the way he attempted to shrug it off in the House this evening.

During the committee hearings this simple question was put directly to the minister: "Mr. Minister, do you not believe that you bear some responsibility for what is happening now and what has happened in the egg industry in this country?" There was, Madam Speaker, a very pregnant pause for a minute, and then he finally admitted that he did have some responsibility for it.

Rather than go into detail, let me try to paint with a broad brush what has gone wrong in the industry today. Speaking of broad brushes, I must say this about the committee. I think that committee was a hard working committee which delved into all sorts of things. As I said, we worked morning, noon and night. But so far as the very touchy situation that the minister had backed himself into is concerned, I must say that the committee turned out to be a complete whitewash with regard to the responsibility that the Minister of Agriculture should bear to the egg industry of this country.

In saying that, I do not want any member to follow up with the sort of parroting that we have heard tonight and say that we are trying to blame everything onto poor old Gene Whelan. That is not what I am saying. I do not think that is what the members of my party have been saying, and I do not think that anyone who listened to the committee hearings would attempt to reach that conclusion. But what we do say, Madam Speaker, and what the committee, due to its majority of members of the government party, was not honest enough to admit to itself, is that a major responsibility for the mess that existed rested in the office of the Minister of Agriculture; there is no question about that.

Why else would the minister come along tonight and try to say, "Look what a good boy I have been; I have cleared up the mess"? Why would he say, "Look at the pressure that I have put on the National Farm Products Marketing Council, which in turn put pressure on CEMA, which in turn have put pressure on the provincial boards. Because of what I have done, CEMA has now got a new general manager. Because of what I have done, the provincial boards are now playing ball where they were not playing ball before. Because of what I have now done, within a year we will have a worth-while national egg marketing scheme in this country".

Some hon. Members: Hear, hear!

Mr. Lawrence: I hear some hon. members on the other side banging their desks. I think that is great. But the point is that it could have been done two years ago by this same minister, and it was not done. There have been two

years of delay, waste and procrastination by this particular minister.

Some hon. Members: Hear, hear!

Some hon. Members: Nonsense!

● (2120)

Mr. Lawrence: There is no question in my mind—

Mr. Cafik: Madam Speaker, I rise on a point of order. I should like to know whether the hon. member who has the floor would permit a question.

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

Mr. Lawrence: I would be delighted to answer a sensible question if the hon. member is capable of asking me one.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lawrence: However, under the circumstances and due to the record of that particular member, I would rather have him wait until I have completed my comments.

Some hon. Members: Oh, oh!

Mr. Lawrence: If some of the hon. members had had the gumption about a year ago to stand up and call chicken, we would not be in the mess in which we find ourselves. In any event, there is no question in my mind that a good portion of the blame not only belongs to the Minister of Agriculture but belongs to some of the provincial governments and provincial boards that exist right now across this country. We are not trying to lay the blame completely and exclusively at the feet of the Minister of Agriculture. Heaven only knows that he is responsible, even though is not willing to admit it. But I do say that another element in this—and you should merely look at the history of this tangled web of the egg industry to realize it—is that the provincial governments and marketing boards in the first instance had to come on bended knee to plead with the then minister of agriculture to get a national egg marketing scheme adopted.

I say in defence of this government—although not in defence of this Minister of Agriculture because he was not minister then—that certainly at that time it was in the interests of the provincial egg marketing boards and of the provincial governments to have a national egg marketing scheme. I do not think that there is any question in anybody's mind that they were willing to try to get the federal government to take on the scheme, but unwilling to give to the federal government the power, the control and the policing mechanism necessary to make it work. But I do say to you that the careless if not negligent minister of agriculture of the day, followed by his bungling successor in this office, failed miserably at that time to talk turkey to the provincial boards and provincial governments.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): You got them going. They are awake now.

Mr. Lawrence: They should have said to them simply this, "All right, if you want us to bail you out, then, by golly, transfer to us the necessary power". There is no question that that was not done and that it should have been done. The reason it was not done is the fault of the federal government. We got into a hassle, and now a couple of years too late everybody is seeing the light, including the provincial boards and the provincial governments. They themselves apparently are now well along the road to some form of recovery. That is great, but let us not forget that it was this government that bungled the deal in the first place, and it should bear that responsibility.

I can well understand the feeling of some of the provincial boards and provincial governments in respect of CEMA and, more particularly, the National Farm Products Marketing Council. More than one individual at the provincial level has come to me, not just Tories, not just members of a provincial board or a provincial government that is Conservative, but others who have asked me why in heavens name they should give any power or control to the federal National Farm Marketing Council when they have no confidence in it. I asked them how come they have no confidence in the council, and they said, "Look at the makeup of the council. It is made up of political appointees, people who are appointed to that council more for their knowledge of the ins and outs of the political halls of this country than for what they know about agricultural production".

Some hon. Members: Hear, hear!

Mr. Lawrence: Now the minister comes to the House tonight and says, as he did in the committee: "Oh gosh, fellows, I couldn't do anything about it. All I could do was to either keep them going or cut them off". That is absolutely ridiculous. First of all the council has the general supervisory power of any national marketing agency. Who appoints the council? The federal government appoints its members on the recommendation of the minister. Secondly, the council which supervises the national agency is responsible to the minister. Who provides the credit for the national agency? It is provided under a letter of comfort signed by the present Minister of Agriculture. If he has no control over that council, if he has no control over CEMA, then what in the world is he doing signing a letter of comfort which provided the basic credit for the agency itself? Certainly he has control. If he has no control, why is he now going to take the credit for cleaning up the mess? Of course he has control.

The council is responsible to the minister, the council advises the minister, the council reports to the minister, and the council has the general regulatory supervision over the national farm marketing agencies. The minister did not even take the trouble or time to find out if the proper statistics were being formulated by CEMA. Surely to goodness somewhere along the line some of the taint of this mess must rub off on the minister. The whole reason for a national egg marketing agency must be found in the problem that the egg producers and the provincial boards have been having in respect of interprovincial and international trade. If that power exists, as it can only exist in

the federal government, then surely the minister must bear the responsibility—

The Acting Speaker (Mrs. Morin): Order please. There being an agreement that speeches cannot be extended beyond 15 minutes, I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Lawrence: May I merely complete my sentence, Madam Speaker?

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): There being no agreement, I am afraid I cannot allow the hon. member to continue.

Hon. Herb Gray (Windsor West): Madam Speaker, as the House knows, I was a member of the special committee, and this debate enables me to place on the record of the House my views on the committee's final report. But first let me say that I was interested to note from the Minister of Agriculture (Mr. Whelan) that the Canadian Egg Marketing Agency recently went on an egg selling mission to Hong Kong, and one wonders if it did this because some people in Hong Kong wanted to buy 1,000 year old eggs for their own unique use.

● (2130)

Seriously, this committee's final report is important because it deals with the first attempt by the government to apply the Farm Products Marketing Agencies Act. Parliament directed in section 22 of the act that agencies set up under it are to have due regard for the interests of porducers and consumers, and further directed in section 6 that the Farm Products Marketing Council is to ensure that this is done. The evidence indicated clearly that in spite of this direction from parliament, both the Farm Products Marketing Council and CEMA failed to give sufficient regard to the interests of consumers in national egg marketing. Both the council and CEMA are composed entirely of producer representatives, or of people closely linked with the producer interest.

On the whole the final report has a number of useful recommendations. If implemented they can do much to bring about needed improvements in the Canadian Egg Marketing Agency, the national egg marketing system and the National Farm Products Marketing Council. However, there was no response by the government during the two months since the report was tabled last December 16 as to what it would do to bring about the implementation of any of these recommendations, or any alternative measures in their place, nor have we been given information before tonight to show that CEMA or the council itself has been doing anything of significance to carry out the recommendations of the committee.

In fact, during the past two months there have been disturbing signs of the kind of "business as usual" which originally made the appointment of the special committee necessary. I am referring to the press reports of a few weeks ago alleging a sudden appearance and subsequent disappearance of a new surplus of 40 million eggs. This matter is important enough for Canadians generally to have expected some announcement by the government of its decision for remedial action before the commencement of today's debate.

It was my hope that this debate would hasten the kind of action required. From the Minister of Agriculture's speech this evening, this is apparently what has happened. Hon. members will want to consider whether the steps he mentioned could not have been taken sooner since CEMA was created over two years ago, and the first Food Prices Review Board report on egg marketing came out some 12 months ago.

I have just said that the final report of the committee of the whole contains a number of useful recommendations. However, I do not believe that it deals sufficiently with the question of how the consumer interest can best be recognized and protected in the operations of CEMA and national egg marketing. The report recommends that CEMA should have a stronger consultative committee on which consumers would be represented, and that two additional members be appointed to the CEMA board by the governor in council. However, it is clear that the consultative committee would be able to do no more than be informed by and express its views to the governing board of CEMA. Also, the report says nothing about who the two additional federal appointees should be.

Since consumers are vitally concerned with and affected by decisions on the supply and price of eggs, it is essential that they be able to take part in the actual decision making process of CEMA itself. It is not sufficient to achieve this purpose for there to be a consumer representative on the National Farm Products Marketing Council alone. The government announced early in October that such a person and two additional non producers would be appointed to the council. However, these appointments have not yet been announced before today, a delay of almost five months.

Also, it should be a matter of concern for all those who wish to strengthen and protect the interests of Canadians as consumers that the Minister of Consumer and Corporate Affairs (Mr. Ouellet) also told the Special committee when he appeared before it that he was "not advocating a consumer representative" on the board of CEMA itself. Instead, he said that he wanted a federal official to be appointed, and what he appeared to have in mind was that this official should come from the Department of Agriculture.

Mr. Baker (Grenville-Carleton): Shame!

Mr. Gray: When parliament passed the Farm Products Marketing Agencies Act, acting on behalf of all the people of Canada, it gave CEMA a form of monopoly power. At the same time parliament specifically said that neither CEMA nor any producers dealing with it would be subject to the Combines Act.

It is essential, therefore, that the monopoly power of CEMA be exercised and be seen to be exercised in the total public interest. The concept of orderly marketing of agricultural products in Canada according to parliament rests on two foundations; one is the interest of the producer; the other is the interest of the consumer. In my view, the total public interest cannot be protected in the way that I have mentioned if only the producer side is

involved in decision making. The consumer side must be involved for this purpose as well.

I therefore want to put on the record of parliament some of my views as to what would be appropriate action to bring this about. First, for an interim period sufficiently long to ensure that the recommendations in the report to improve the management and operations of CEMA, the council and the egg marketing plan have gone into effect, CEMA should be administered by a five member executive committee much as recommended by the provincial ministers of agriculture.

Some hon. Members: We're with you.

Mr. Gray: To the extent that this committee would be composed of federal officials, they should not all come from the Department of Agriculture. Instead, the Department of Consumer and Corporate Affairs, the Department of Industry, Trade and Commerce and possibly the Treasury Board should be represented as well. If the committee is to be composed of people from the private sector, some of its members should be connected with the consumer interest.

Second, after the interim period mentioned has elapsed, there should be a number of consumer representatives appointed to the permanent board of the Canadian Egg Marketing Agency by the government. The federal government appears to have the power to do this under the Farm Products Marketing Agencies Act.

Arguments to the special committee, by the present management of CEMA and other producer representatives, that having consumer representatives on the board would be divisive indicate clearly that producer representatives themselves do not believe that they are likely to be able to give due regard to the consumer interest in ways consumers would consider acceptable.

Third, the council should be restructured so that it would become a body clearly authorized to hear appeals from decisions of CEMA and other marketing agencies set up under the act from anyone—producer, processor or consumer—affected by these decisions.

Finally, such reports and advice from the council on the operation of agencies set up under the act should be submitted to and considered by not only the Minister of Agriculture, but also by an inter ministerial committee made up of that minister, the Minister of Consumer and Corporate Affairs, the Minister of Industry, Trade and Commerce (Mr. Gillespie) and the President of the Treasury Board (Mr. Chrétien). They should all share responsibility for the operations of the Farm Products Marketing Agencies Act rather than have it left entirely in the hands of the Minister of Agriculture as it is at present.

The issue of ministerial responsibility is one of the difficult and sensitive areas touched on by the committee report. A reading of the Farm Products Marketing Agencies Act as a whole conveys the view that parliament in passing the act certainly did have in mind that the Minister of Agriculture would be responsible for the over-all administration and application for the act, including some meaningful degree of responsibility for the agencies created under its authority. The act contains a number of indications of this, but one of the clearest of them is

section 6 (1)(a) which says that the duties of the Farm Products Marketing Council are, and I quote:

> . . . to advise the minister on all matters relating to the establishment and operation of agencies under this act.

One could well argue that parliament would hardly have been likely to have directed the council to advise the Minister of Agriculture in this way unless parliament wished to impose on the minister some degree of direct responsibility with respect to both the establishment and operation of marketing agencies created by cabinet under the authority of the act.

One can ask therefore why the final report of the committee found a lesser degree of responsibility with respect to CEMA on the part of the Minister of Agriculture than the minister has, himself, finally been willing to agree that he holds. He did admit to the committee, in the course of his second appearance before it, that he "possibly had some responsibility" for what he described as being only a "minor catastrophe." On Wednesday, January 28, the minister said that he would take drastic action if CEMA did not reform itself. He would not be able to do this if he did not have more responsibility for CEMA than the final committee report found that the Minister of Agriculture had.

● (2140)

One could also ask why the committee found less responsibility for action on the part of the Minister of Agriculture in this matter than the Minister of Consumer and Corporate Affairs. That minister in his release of September 6, 1974, and in particular in a television interview on the C.B.C. on that date, clearly expressed his view that, in effect the Minister of Agriculture had responsibility for the operations of CEMA and should, therefore, take action to cure its problems. The Minister of Consumer and Corporate Affairs confirmed he made these statements and stood by them when he himself appeared before the committee.

The committee's final report in its findings on ministerial responsibility clashes with and rejects the views about it held by the Minister of Consumer and Corporate Affairs. This, together with his unwillingness last November to advocate consumer representatives for the CEMA board, suggests that the result of his confrontation with the Minister of Agriculture over egg marketing early last September was certainly not a victory for the consumer point of view.

It is true that provincial governments and provincial egg marketing agencies were involved in the negotiations that worked out the terms of the egg marketing plan as well as its later implementation. However, marketing agencies under the Farm Products Marketing Agencies Act are created by the federal governor in council, that is, by the cabinet by proclamation, as are the marketing plans these agencies implement. In other words they come into being because the cabinet exercises authority delegated to it by the parliament of Canada in the act. They would not come into being without this cabinet action being taken.

The act also provides that the cabinet can amend the terms of any marketing plan, or withdraw any powers it had earlier given to any agency which was created under the act. One should note that the act does not say that the

only thing the cabinet can do if it is not satisfied with the operations of an agency is simply to terminate it by withdrawing all of its powers all at once. Parliament instead gave the cabinet the authority to operate flexibly, to amend individual agency powers if it wished to do so. The act does not say there is any necessity for any provincial concurrence or consent before any of the steps I have mentioned are taken.

In my view the evidence presented to the special committee has confirmed the findings of the Food Prices Review Board that the manner of operation of CEMA did not give due regard to the consumer interest. It confirmed the board's findings that the intervention price was set so high as to both encourage overproduction and, at the same time, inhibit purchases of eggs by consumers. It also confirmed the board's findings that the cost of production formula on which the intervention price of eggs was based was neither realistic nor adequate for that purpose.

It should be noted that the lack of adequate planning that took place before CEMA began its operations, and the faulty administration that marked its operations once they were under way, all came about when the decision making and management in this regard were entirely in the hands of producers.

Let me say, Madam Speaker, that I believe that no more marketing agencies should be created by the federal government under the Act unless it is firmly established that the plans and systems of administration for them are such that the mistakes and mismanagement associated with CEMA to date will not occur again.

The destruction of 29 million eggs is bad enough by itself, but what is equally troubling about it is what it demonstrates about the flaws in CEMA and its administration to the detriment of both producers and consumers, and the flaws that could develop when other marketing agencies are created under the act.

The difficulties of CEMA provide a powerful lesson, one which unfortunately had to be learned through a bitter experience so costly to both producer and consumer. Let us hope that this lesson has come early enough in efforts to develop national supply management programs so that with appropriate federal government action the mistakes and mismanagement connected with CEMA will not be repeated. If this is the case, the interests of all Canadians, whether producers or consumers, and thereby the total public interest, will in future be more fully and properly served, and the work of the special committee will be proven to have been greatly worth while.

Some hon. Members: Hear, hear!

Mr. Alexander: Madam Speaker, on a point of order I should like the record to show that members of the opposition applauded vigorously for a very constructive speech, and no more than four members on the government side applauded.

Some hon. Members: Hear, hear!

Mr. Gray: Madam Speaker, I think it would be fair to say that, if it could be shown, many more were with me in spirit.

Some hon. Members: Hear, hear!

Mr. Ellis: They don't need spirit, they need guts.

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, the question has been very thoroughly covered already and anybody who wishes to make further remarks on this debate makes them with the fear of being repetitious. However, there are a few things which I think have not been said.

I am in sympathy with the farmers who decided they were not particularly anxious to see a representative of the Consumers' Association of Canada on their board. You do not find a president of General Motors as a member of the United Auto Workers. You do not find a farmer on the board of directors of a chartered accountants' association of Canada, you do not find a farmer on the board of directors that charts the course of the legal associations, the medical associations or nursing associations of this country. All of these people need food, however, and farmers need their services, yet they have never been invited to participate in the professional associations of any group in this or any other country.

While I agree in principle with a great deal of what has been said, I challenge hon. members and their professions to invite farmers to participate in the direction of those professions. When that happens I am sure farmers will reciprocate, and welcome consumers on their governing body.

All the various forms of information should be available to the public. All the public notices that the board has requested should be available to consumers, and consumers should know the basic cost of production. Farmers are entitled to this information but they could not get it from their own board, from the farm marketing council, from the minister or any other source. Like everybody else, farmers and consumers are entitled to the information.

What is the future of this board, Madam Speaker? The principle of national control of production of any commodity was precipitated by the chicken and egg war which, in turn, was precipitated by the policies of an urban oriented government, a government which had absolutely no concept of farm production or adequate supply of food. It encouraged production here and discouraged production there, until the Canadian agricultural picture became distorted. An area capable of producing grain found itself producing pigs and poultry by virtue of a federal subsidy which was contributed to by provincial subsidy—all financed by public money. Instead of grain pouring out of the west it was flying out in the form of birds, or it was shipped out in the form of eggs, because of a total lack of perception of what would happen if production of a particular commodity was increased by 2 per cent.

In any agricultural commodity on the North American continent—and virtually anywhere in the world—when a surplus of less than 1 per cent appears on the market, that market may plummet overnight. This was the knowledge that the urban cabinet did not like. The Prime Minister (Mr. Trudeau) could not understand it, and allowed the government virtually to annihilate agriculture from coast to coast under the misapprehension that, if he satisfied the westerners by getting rid of their grain, his government and Ottawa would seem like Utopia to them.

● (2150)

If we had paid attention to fundamentals we should not have the egg producers on our backs. Eastern potato growers from P.E.I. and New Brunswick would not be on our backs if we had not abandoned traditional agricultural policies which worked in the past, and if we had not thrown away the concept of the stabilization board and said to the provinces, "This is happening in your area; you look after it." This is the sort of attitude which precipitated the call for orderly marketing. The call for agricultural production controls resulted from the absolute abandonment of responsibility for agriculture—and I cannot blame the minister, as he inherited the situation—on the part of the Trudeau government; it has neglected its responsibility ever since coming to office.

Government policies brought us to the catastrophic position in which, for six years, there was a drastic decline in the potato industry of this country. The government of Canada neglected the country's potato growers. The minister's efforts to help were thwarted. The Minister of Veterans Affairs (Mr. MacDonald) and I were thwarted as we pleaded on behalf of the industry in our respective provinces. We wanted the assistance which was so necessary for healthy agriculture, and a healthy agricultural industry is essential if food is to be available at reasonable cost.

CEMA was made necessary because of the workings of an urban-oriented cabinet. When farmers are mentioned, cabinet ministers either leave their seats or laugh. They know little of agriculture. Policies which allowed the importation of food duty free were detrimental to Canadian agriculture. In the end the government introduced that pernicious bill which allowed CEMA to be created. Let me be clear on one point—farmers wanted the agency. As things now stand, the farmers have to have it; and it has to work. Let there be no misunderstanding. The egg industry has been forced back into a corner and the agency must work. If it does not work, the result for a great many egg producers will be bankruptcy. So I say to the minister that the agency had better work, or else.

Anomalies must be corrected. The egg producing industries of our smaller provinces cannot compete with the egg producing industries of richer provinces such as Ontario and Quebec. If the federal government wants to help agricultural producers, and egg producers, it had better make certain that its policies apply from coast to coast in a fair way.

Let us look at the history of the matter we are considering. In early 1973 the council was advised by people in the know, people who know the egg business, that the egg marketing concept was not going to work. They said in so many words, "egg production is creeping up, and we are heading for trouble." How true. In late 1973 poultrymen who had studied poultry industry statistics as well as Department of Agriculture statistics, and figures released by Statistics Canada, said that the controls exercised by CEMA were not going to work, and there was trouble ahead.

The statistics kept piling up, until the climax came when 28 million eggs were reported as spoiled. Only heaven knows how many more were spoiled. Records have not been kept of total spoilages. Not even the minister may know how many were spoiled. The CEMA people were very vague about total figures. They did not know where all eggs were stored and how many were involved in spoilage. I do not suppose anyone really knows the figure. Certainly the auditors do not. Without proof, they refused to certify that more than a certain number had been spoiled.

When this matter came to the minister's attention he should have called the appropriate federal and provincial authorities together and told them to sort out the mess. In any event the situation deteriorated, the number of spoilages grew larger and larger and, finally, the pressure of public opinion forced the government to act.

What is happening? According to statistics, a large number of pullets in various provinces are now getting ready to lay eggs. Some provinces may decide to go their own way and produce eggs at whatever rate seems appropriate to them. This is a matter for the Minister of Agriculture and the government of Canada to handle. I hope, for the sake of the producer and the consumer, that the minister can control all ten provinces, not just nine. This control is necessary for the sake of everyone.

Some hon. Members: Question.

[*Translation*]

Mr. Francis Fox (Argenteuil-Deux-Montagnes): Madam Speaker, I thank you for having given me the floor. Unfortunately, the hon. member across the way has left me very little time, barely 45 or 65 seconds, to participate in the debate.

Several members, from both sides of the House, would have liked to take part in it, I believe. Though I have very little time, I should still like to emphasize one point which was raised a while ago by one of the previous speakers, and that is in part the role played by the Minister of Agriculture (Mr. Whelan) in the egg question.

Members have suggested that the Minister of Agriculture should have intervened unilaterally and imposed recommendations to the Egg Marketing Agency. As far as I am concerned, I feel that this is an unusual way of looking at federal-provincial relations in this country. To think that a federal minister should interfere with a federal-provincial agreement, signed by all the Ministers of Agriculture in Canada, strikes me as pure arrogance. Had that occurred, such a unilateral intervention on the part of the Minister of Agriculture would have been denounced.

Quite the contrary, in that case he did what he had to do: he met and consulted with his provincial colleagues in July and November of that year, and they agreed on a plan of action to try and put some order in the house. And finally it is very important to show that that marketing agency can work to meet the need of both consumers and farmers in Canada.

I think for my part that underlying the committee report was the fact that it recognized the true role the marketing agency must play within the Canadian economy. How else can we make sure farmers of this country have adequate incomes so they will continue to produce the kind of quality commodities we are used to receiving in Canada? Professor Ford who appeared before the committee had no other mechanism whatever to suggest to replace the marketing agency.

So, instead of looking at false problems the committee made recommendations. It determined who was responsible for the agency's problems. It submitted certain findings but agreed that in the final analysis the Minister of Agriculture did what he had to do.

Before attacking the Minister of Agriculture it is worth noting that no recommendations were ever made in that regard before the committee but they rather preferred to wait to do so in this House. No attempt was made to convince the committee—as they should have done as members—of what was suggested here tonight in this House.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FINANCE—AMOUNT OF TAX LIABILITY REDUCTION IN 1975 DUES TO INDEXING

Mr. Sinclair Stevens (York-Simcoe): Madam Speaker, on February 11 the titular Minister of Finance (Mr. Turner) misled the House. This is the background. In a budget speech dated November 18, 1974, delivered by the titular minister, but apparently not solely prepared by him, it is stated that indexing will reduce the tax liability of Canadian taxpayers by $950 million in 1975.

On February 10 of this year the same minister stated, as reported at page 3067 of *Hansard* that taxpayers would save $750 million as a result of indexing in the 1975 taxation year. The following day, as recorded at page 3101 of *Hansard*, I asked the minister:

> Would the minister indicate which figure is correct, the one he gave us yesterday or the one he gave us on November 18?

The minister replied:

> This is a great game of selective statistics again advanced by my hon. friend . . . One figure applies to the calendar year, and the other applies to the fiscal year.

On February 12 I asked the minister to supply the House with the proper figures for relevant years on a fiscal and calendar year basis. He replied he would look into it. The next day, again under questioning, the minister said, and I quote:

> Mr. Chairman, the hon. member stated yesterday that in my November 18 budget speech I indicated that the reduction in personal income tax liability in 1975, as a result of indexing, would be $950 million, while on Monday I indicated that the reduction would be $750 million. That is how the question came up. The hon. member asked which figure is correct. In response I indicated that one figure was for the calendar year and another for the fiscal year. In so doing I misunderstood the question and perhaps misled hon. members. I ought to have responded that both figures are correct.
>
> The $950 million reference in the budget speech was the total tax saving attributable to people in 1975 because of indexing; the $750 million figure is part of that $950 million which is attributable to the federal treasury. The other $200 million is attributable to provincial treasuries.

After admitting he misled hon. members, this sham minister, attempting to rationalize his mistake, only demonstrated the cleavage that exists between the Prime Minister's "Group of Seven" and his denuded Ministry of Finance. Mr. T. A. Wilson, a member of the "Group of Seven", wrote in an article published this month, and I quote:

> The second round of tax indexing in January involves a reduction in federal and provincial taxes of $1,000 and $250 million respectively . . .
>
> Without the indexing of taxes therefore, federal and provincial revenues would be some $1,250 million higher in 1975, and the effects on the net budget position would be even larger. The additional fiscal drag which inflation would have generated with a tax-transfer system without indexing would have been sufficient to plunge the economy into recession in early 1975 unless offset by discretionary fiscal changes.

In his budgetary speech of May 6 last year, this titular minister said, "I have always tried to be frank with parliament and the people." In his last budget speech he stated only "I have always been frank with the Canadian people." Obviously the minister is a little embarrassed to maintain still that he is being frank with this parliament. The fact is that he has never been frank with this parliament. Nor has he been frank with the Canadian people.

We deserve a fuller explanation concerning the minister's statement in connection with indexing. At the time of my leader's speech, the minister so denounced the concept of indexing that it is only fair that he now state the accurate figures as to how much Canadians are benefitting at the present time as a result of indexing in the Canadian income tax field. I hope we will get a full and proper explanation of this unfortunate incident, which is only one in a series of incidents where this House has been misled by this minister.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): On February 11, Madam Speaker, the hon. member for York-Simcoe (Mr. Stevens) stated that in the November 18 budget speech the Minister of Finance (Mr. Turner) indicated that the reduction in personal tax liabilities in 1975 as a result of indexing would be $950 million, while on Monday, February 10, he said that the reduction would be $750 million. The hon. member asked which figure was correct.

In responding, the minister explained that one of the figures applied to the calendar year and the other to the fiscal year. It is indeed true that the reduction of personal income tax liabilities in fiscal year 1975-76 will exceed that for calendar year 1975. This is so because a new and higher indexing factor will automatically take effect on January 1, 1976, and will apply for the last three months of the fiscal year.

In his budget speech the minister stated:

> Indexing will reduce the tax liability of Canadian taxpayers by $950 million in 1975.

In saying this he was referring to the total savings to taxpayers—savings resulting from the reduction of both federal and provincial tax liabilities. In his statement to the House on February 10 the minister was referring to the reduction in federal revenues due to the tax cuts set out in the bill, and in that context he gave the 1975 estimated

cost of indexing to the federal treasury alone. Both figures given by the minister are correct. The $950 million refer to the total reduction in personal income taxes, federal and provincial, and the $750 million to the cost to the federal treasury only.

CANADIAN NATIONAL RAILWAYS—COMPANY'S INTENTIONS RESPECTING ESCALATION OF PENSIONS OF PERSONS ALREADY RETIRED

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, on Thursday, February 13, I asked questions about railway pensions which I directed first to the Minister of Labour (Mr. Munro) and then to the Minister of Transport (Mr. Marchand). In this area of railway pensions there are of course many angles, and I am concerned about all of them, but during this late show tonight I am concentrating on just one point. It is the point I presented as clearly as I could to the Minister of Transport last Thursday. My question—and it is my only question tonight—related to the escalation or the indexing of the pensions of retired Canadian National employees.

I am not tonight talking about the need to revamp the Canadian National pension plan to make provision for the escalation CN workers presently employed may enjoy when they retire. I am talking only about former CN workers already retired and now drawing their pensions. For many years pensions in this category were of a fixed amount with no escalation at all. After a while we got the CN to come through with an escalation of 2 per cent per year. This was done for several years.

When the ceiling was taken off other plans which came within the responsibility of the federal government, we put pressure on the CN to escalate pensions in accordance with the actual rise in the cost of living. Last year the CN at least broke through the 2 per cent ceiling and allowed an escalation of 4 per cent which, though not good enough, was better than 2 per cent.

My question tonight is: when is this year's escalation coming through and, when it does, will the amount be at least the full amount of the rise in the cost of living?

● (2210)

We can argue about what that percentage should be, but other pension plans that are under the aegis of the government have this year had escalations of 10 per cent or more. Therefore, Madam Speaker, I submit that the retired employees of the Canadian National should now be getting the 1975 escalation of their pensions, and that the amount of that escalation should be at least 10 per cent.

As I said the other day during the question period, I am asking for this pending the tabling of the Hall report. I hope my good friend, the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Guay) who will be replying tonight for some other parliamentary secretary, will not tell me—indeed, I am sure he would not want to say it—that we will have to wait until Canadian National gets the Hall report. That may be many months down the road. The time for an annual escalation of pensions is at the beginning of the year, and Canadian National pensioners have the right to that escalation now.

[Mr. Cullen.]

The other answer that the Minister of Transport gave me the other day, and which I found a bit annoying, was one he has given me on other occasions, namely, that this is the subject of collective bargaining. The pension plan of the Canadian National Railways, in so far as it will affect those still working, when they retire, is now on the collective bargaining table. But escalating or making any changes in the pensions of those already retired is not on the collective bargaining table. Those people have a representative on the pension board, but there is no collective bargaining on behalf of those already retired. They will get an escalation under the present arrangements, depending on what may come out of the Hall report, only if Canadian National comes through with an escalation.

I know that we are told frequently that we have to let the Canadian National Railways make its own decisions. But the fact of the matter is that pressure by the government, pressure from the floor of this parliament by members like my good friend, the hon. member for London East (Mr. Turner), my good friend from St. Boniface, and their good friend from Winnipeg North Centre, has had an effect in the past.

I hope that the parliamentary secretary will be able to tell me tonight that the government will talk turkey to Canadian National, and will tell the CNR that this matter cannot wait any longer, that it cannot wait for the next round of collective bargaining by those still working, that it cannot wait for the Hall report. These retired employees of CNR, many of them in our constituencies, deserve an escalation in 1975 of at least 10 per cent, and they deserve it now without any further delay. The parliamentary secretary can make a good name for himself in St. Boniface and throughout greater Winnipeg tomorrow if he will give the answer tonight, that this escalation is coming soon.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to the Minister of Regional Economic Expansion): Madam Speaker, I appreciate this opportunity, in the very short time available, to discuss this very important matter with the hon. member for Winnipeg North Centre (Mr. Knowles). As he is probably aware, there are many CN pensioners in my constituency, and the problem of coping with the ever-increasing cost of living is a major concern for all pensioners as well as for us.

In the past the increase of pensions for retirees has been averaging about 2 per cent per year, and this increase has been made on a sporadic basis. There has never been any specific timing for this increase, and I must agree that this situation has created some problems and hardships for the pensioners referred to by the hon. member.

I know the hon. member probably does not want me to talk about the Hall inquiry commission, but the fact remains that the Hall inquiry commission was set up in May, 1974, by the Minister of Labour (Mr. Munro), to make proposals with regard to pensions. Hearing began on November 28, 1974, and he has been holding hearings ever since all over the country. It is hoped that, as a result of this commission, the government will be able to act in a positive manner to protect the income of retired railway workers.

As the hon. member is probably aware, the unions have proposed to the Hall inquiry commission that the pension plan provide for automatic adjustment in accordance with the increases in the cost of living. But since the hearings are ongoing and Mr. Hall has yet to make his recommendations, we will have to await them to determine what action will be necessary and what action should be taken by the government. There is no doubt that the railway will give consideration to this important matter as soon as it has received the Hall report and the recommendations of the government in this regard.

In closing I would like to repeat what the Minister of Transport (Mr. Marchand) said on February 13 in response to the question, as recorded at page 3186 of *Hansard*, that if he became involved, he would be sympathetic to pensioners' demands in this matter. I wholeheartedly agree with this because not only do I sympathize with pensioners but I believe that this is something they rightly deserve.

Mr. Knowles (Winnipeg North Centre): And they deserve it now.

PUBLIC SERVICE—PROPOSAL GOVERNMENT DEAL WITH UNIONS REPRESENTING SINGLE SECTORS OF ECONOMY—GOVERNMENT POSITION ON ESTABLISHING LABOUR RELATIONS COUNCIL

Mr. Otto Jelinek (High Park-Humber Valley): Madam Speaker, last Friday, as well as this afternoon during question period, I asked the President of the Treasury Board (Mr. Chrétien) whether or not his department, or in fact any government department, has considered or is considering the possibility of single sector bargaining, in other words, of having a single public sector as a whole dealing with the government, rather than the fragmentary way in which the general labour and trades group, for example, has done, thus adversely affecting and harming so many different sectors of our economy.

It is puzzling to see the government continue to accept this method of bargaining, knowing full well that the fragmentation effects of a strike such as the one with which we are faced today are widespread, to such an extent that they alone can be damaging to the extent of millions of dollars to our economy in a dozen or so different sectors.

I believe, however, that the majority of Canadians are fed up with the increasing inconvenience and economic impairment to the individual and the community alike of walkouts, legal and illegal, in essential services in this country. Let us remember that two-thirds of the Canadian taxpayers do not belong to any union and therefore are not protected by the gutless permissiveness of governments, or do not belong on the government payroll with armour-plated job security. I would think that a great many of these taxpayers are against all walkouts and strikes, legal or illegal.

They find it to be a form of blackmail and some people suspect that the public is becoming so outraged that it will demand that the labour clock be turned back and strikes outlawed, with real and heavy penalties imposed in the essential services. That would surely bring about some very rough confrontations.

I believe, however, that there is a way around this whole affair. I believe that there is a way around this sort of fragmentation which would still give the individual within a union the right to strike but which, at the same time, would give the Canadian taxpayer the assurance that for the duration of a contract a specific single sector of the economy, such as air transportation, the post office, schools, food inspection, ports, trains and other public sector services, would be strike-free.

Surely in view of the number of strikes with which Canadians were faced last year, and the ever increasing labour unrest and militancy threatening public interest, some immediate alternative ways and means must be adopted before our economy deteriorates any further.

I believe that there is an urgent need for federal legislation requiring union groups in a single public service sector to bargain with the Treasury Board on a joint basis only for agreements of perhaps not less than two or three years' duration. This suggestion is not too different from a recent recommendation made to the cabinet in a memorandum regarding labour relations in Canada put forward by the Minister of Labour (Mr. Munro). I happen to have this memorandum which asks the cabinet to consider establishing a Canadian labour relations council with the purpose of finding solutions on a continuing basis to different problems of practice and perception in labour relations, including the problems of fragmentation in a union, a recommendation with which I am sure the public would agree.

It is fine to make the suggestion such as the one which was contained in the reply of the President of the Treasury Board to my question, that this sort of recommendation should be made to the joint committee presently studying the Finkelman report dealing with labour relations. But, unfortunately, before the dust settles after the completion of those committee hearings, our economy will have suffered the loss of millions of working man days as a result of walk-outs and strikes, and thus hundreds of millions of dollars, partially due to the fragmentary way of bargaining which this government seems to have adopted as a way of life.

● (2220)

The result of bargaining with a single public service sector as a whole, in the simplest terms would be assurance to the tax paying public that each essential service sector would be strike free except for the possibility of a walk-out every two or three years or so. By a wide margin the majority of public service strikes are at the federal level.

It was a Liberal government which gave federal public servants the right to strike back in 1967. We have seen this right abused at the expense of the taxpayer and so, quite fittingly, it is on the Liberal government, with its new strong majority mandate, that public responsibility rests to take the initiative to restore some balance between the right of the taxpayer to uninterrupted essential services and the right of the federal unions to withdraw them.

For example, if one happens to be grounded by an air service strike at the time of a business or holiday trip, the most frustrating and maddening aspect of the situation is the fragmentation of union power in shutting it down at

different times. Most devasting also for management, and damaging to the economy, is the same idiotic spectacle of airline service, for example, having just been restored after a strike in one sector of the industry being closed down again by another union group walking out.

At different times in recent years air service has been grounded by striking firemen, runway maintenance workers, air traffic controllers, stewards, baggage handlers, ticket agents and other service workers. The railways, shipping, port services and the post office run the same risk of disruption by fragmentation of union bargaining.

Over the last three or four years the record of labour disruption of essential services, and the cost in money and inconvenience to the public make it plain to see that sooner or later a reasonable balance—

The Acting Speaker (Mrs. Morin): Order, please.

Mr. Jelinek: Madam Speaker, I have just one paragraph to finish.

The Acting Speaker (Mrs. Morin): The general rule is that speeches at this time cannot extend beyond seven minutes. The hon. parliamentary secretary to the Minister of Finance (Mr. Cullen).

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): The strike of GLT employees of the public service of Canada is, of course, having an unfortunate effect on different sectors of the economy. Any strike of this dimension has that effect. I trust it will be shortlived. The employer is still prepared through mediation or any other suitable medium to strive for a settlement, and I hope that the Public Service Alliance is similarly motivated.

The matter of single public sectors is not something which can be decided in a hurry. There is every indication that to adopt this approach to collective bargaining would definitely result in fragmentation of union strength and the creation of far too many bargaining units. We have 80 bargaining units now, and it is possibly more in the public interest for the number to be reduced eventually, rather than increased. Union power is certainly not fragmented by having one GLT bargaining unit.

In any event the number and nature of bargaining units are a matter for decision by the Public Service Staff Relations Board, and if the hon. member has any suggestions to make regarding changes to the Public Service Staff Relations Act he will doubtless have an opportunity to pass them on to the parliamentary committee now studying the Finkelman report.

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

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Tuesday, February 18, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

DISPOSITION OF SECOND READING STAGE OF BILL C-48 TO AMEND THE RAILWAY ACT

Mr. Sharp: Mr. Speaker, there has been discussion amongst the House leaders about the desirability of proceeding as quickly as possible with Bill C-48 to amend the Railway Act. In order to expedite consideration of that bill, it has been agreed—and I hope it will be made an order of the House—that tonight at 9.30 the committee of the whole will rise and report progress on Bill C-49, the House will then take under consideration Bill C-48 and the debate thereon will be continued at this sitting until the conclusion of second reading. It is also agreed that there shall be no debate on the adjournment motion if the debate on second reading of Bill C-48 extends beyond 10 p.m. I would remind the House, Mr. Speaker, that there is agreement that there shall be, at most, five speakers on Bill C-48.

Mr. Baker (Grenville-Carleton): Mr. Speaker, as the government House leader said, there have been discussions and the proposal is agreeable to us. We want to remind the hon. gentleman that the opposition is always prepared to assist the government in proceeding with its legislative program, under proper circumstances.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Agreed.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, we have agreed to this arrangement, but we do trust that the debate will not extend too far beyond ten o'clock this evening.

[*English*]

Mr. Speaker: Is it agreed by all members that it be ordered that the House proceed at 9.30 p.m. along the lines and the terms outlined by the President of the Privy Council (Mr. Sharp)?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

FEDERAL-PROVINCIAL RELATIONS

TABLING OF "OPPORTUNITIES FOR CHOICE" AGREED UPON AT FEDERAL-PROVINCIAL MEETING

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table copies of the document "Opportunities for Choice", in both official languages, that was agreed upon at the federal-provincial ministers' meeting last December.

* * *

INDUSTRY

PROPOSAL TO INCREASE PERCENTAGE OF AUTOMOBILE COMPONENTS MADE IN CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent necessity with respect to the critical unemployment situation in the Canadian automotive industry and, in particular, with respect to the Canadian automotive parts industry. I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That the Minister of Industry, Trade and Commerce make immediate provision to increase the percentage of automobile components made in Canada for Canadian-made cars and trucks.

Mr. Speaker: The House has heard the terms of the motion proposed under Standing Order 43. It cannot be debated without consent. Is there consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

INCOME TAX

SUGGESTED APPLICATION OF PROVISIONS OF ACT TO EARL HASTINGS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise to propose a motion under Standing Order 43 on a matter of urgent and pressing necessity. This matter concerns published statements by a self-styled petroleum landman who resides and has an office in Ottawa and a post office drawer address in Calgary, Alberta. These statements by this oil executive allege that the Prime Minister of Canada (Mr. Trudeau) and the Minister of Finance (Mr. Turner) consulted him about the government's oil policy, that he has influence with the cabinet and a voice direct to the

highest levels of government in Ottawa. If there is consent, Mr. Speaker, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That the government take immediate steps to apply the appropriate provisions of the Income Tax Act to the financial affairs of one Earl Adam Hastings.

Mr. Speaker: The House has heard the terms of the motion proposed. Pursuant to Standing Order 43 it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent the motion cannot be debated at this time.

* * *

[*Translation*]

FINANCE

SUGGESTED FINANCING OF PUBLIC DEBT THROUGH BANK OF CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the terms of Standing Order 43, I request unanimous consent of the House to deal with an urgent matter requiring immediate action.

Considering that the Canadian public debt, in 1975, will exceed $55 billion, that servicing this debt will cost almost $3 billion in the same year—over $8 million a day—and that this debt is an increasingly heavy burden which the Canadian taxpayers are no longer able to carry, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House study the possibility of setting up the financial mechanisms required to finance the paying off of the public debt through new credits issued by the Bank of Canada on the guarantee of the overall real wealth of the country, this, with a view to freeing Canadian taxpayers from the burden the public debt represents.

Mr. Speaker: The House has heard the motion of the hon. member. Under the terms of Standing Order 43, the motion requires unanimous consent of the House. Is there unanimity?

Some hon. Members: Yes.

Some hon. Members: No.

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

[Mr. Malone.]

CANADIAN BROADCASTING CORPORATION

SUGGESTED BROADCASTING OF WORLD HOCKEY GAME BY CORPORATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Under the terms of Standing Order 43, I request unanimous consent of the House to move a motion.

In view of the fact that hockey is Canada's national sport and that professional hockey has become almost exclusively American, as far as the National Hockey League is concerned since only three Canadian teams out of 18 are competing in it; in view of the fact that, a division of the World Hockey Association is exclusively Canadian and that this division is the most stable of the association; and considering that the calibre of play in those two leagues is almost identical, it is deplorable to find that CBC is exclusively concerned with NHL publicity and that no World Hockey Association's game is televised on the national network. I therefore move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House enjoin the Canadian Broadcasting Corporation not to discriminate any more against the WHA and to televise this league's games, particularly those involving the Canadian division.

Mr. Speaker: The House has heard the motion of the hon. member. Under the terms of Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

AIR CANADA

PROPOSED INVESTIGATION OF LANDING OF FLIGHT 253 AT CLOSED WINNIPEG AIRPORT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise to request leave of the House to present a motion on a matter of urgent and pressing necessity pursuant to Standing Order 43.

Last night the Ministry of Transport ordered Winnipeg International Airport closed from 5.15 p.m. to 7.25 p.m., because of dangerous snow conditions on the runways. At approximately 6.45 p.m. Air Canada flight 253, a Lockheed L 1011 from Toronto, landed at the closed airport. In view of the fact that Air Canada spokesmen have stated unequivocably to broadcasting station CKY of Winnipeg that there was absolutely no problem with the aircraft, and in view of the potentially disastrous situation that this suggests, I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That this House does instruct the Minister of Transport to launch an immediate investigation into this matter and report the findings to the House at the earliest possible date.

Mr. Speaker: The motion has been proposed under Standing Order 43 and therefore cannot be moved without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please. There not being unanimous consent the motion cannot be moved at this time.

Mr. Paproski: Joe Guay said no.

Mr. Guay (St. Boniface): I said yes.

* * *

[*Translation*]

ROYAL CANADIAN MINT

SUGGESTED SETTLEMENT OF STRIKE TO REMEDY SHORTAGE OF COINS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of this House to discuss an important matter requiring immediate attention.

The strike of Royal Canadian Mint employees has caused a coin shortage which is getting worse every day. Several businesses are already unable to complete transactions because they do not have enough change to give back to the buyers. We know that coins are "the poor people's money" and that the poor are the main victims of this shortage. I therefore move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House instruct the President of the Treasury Board (Mr. Chrétien) to report to this House on the protracted conflict between Royal Canadian Mint employees and the government to bring this conflict to an end as soon as possible so that the population may obtain the coins required to make normal business transactions.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Under the terms of Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

WOMEN IN INDUSTRY ACT

MEASURE TO ENHANCE THE STATUS OF WOMEN IN INDUSTRY

Mr. Bob Kaplan (York Centre) moved for leave to introduce Bill C-378, respecting women in industry.

Some hon. Members: Explain.

Mr. Kaplan: Mr. Speaker, this bill will require contractors tendering for government business to file a statement describing in detail, as set out in the bill, the status of women working in their firms. This will create certain competition among firms to improve the status of women and produce higher standards than are obtained by laws which set minimum requirements.

Mr. Lawrence: Mr. Speaker, I rise on a point of order. Would I be in order if I asked the hon. member if the bill will cover that great body of contracts for which there are no tenders?

Some hon. Members: Hear, hear!

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

ORAL QUESTION PERIOD

[*English*]

ENERGY

NATURAL GAS—ALLEGATION OF POSSIBLE RETALIATION BY UNITED STATES IF ANY REDUCTION IN AMOUNT EXPORTED

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. No one in this House would dispute the right and propriety of the government and the National Energy Board to regulate export of natural resources, particularly gas to the United States. In view of reports that have been circulating recently, more particularly in the press today, that the United States government might make serious retaliations if any major changes are made on long-term contracts for the export of natural gas, have any special representations, either of a formal or informal nature, been made to the Canadian government stating that in fact the United States government will take such retaliatory action?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Before responding, may I welcome back the hon. member from his illness. I hope we will see a lot more of him.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): With regard to the report today that there have been allegations of statements by State Department spokesmen of retaliation against Canada if there is a reduction in gas exports, I will preface my remarks by reminding the House that the National Energy Board is engaged in a hearing on precisely this question. In any response I make, I want to avoid in any way prejudicing that hearing.

● (1420)

Having said this, I can assure the hon. member that in my meetings to date with senior members of the administration and of the Congress I received no such representations. There has been concern about gas supplies but no suggestion of retaliation and no official representations to

the Government of Canada in this regard. I think I can say to the House that on the basis of our good friendship with the United States over the years we shall do our best to assist them in any such problem, but perhaps this willingness to be of assistance might be diminished rather than increased by any suggestion of retaliation.

NATURAL GAS—GOVERNMENT VIEW ON POSSIBLE RENEGOTIATION OF CONTRACTS WITH UNITED STATES

Mr. James Gillies (Don Valley): Is it the position taken by the government that the long term contracts which have been signed with respect to natural gas could be the subject of renegotiation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I should probably not give a legal opinion, but the terms under which the gas is exported from Canada are under the National Energy Board Act, and are that the gas should be surplus to the reasonable requirements of the Canadian market and the National Energy Board Act does provide for the amendment of any such permit. This would have the effect of amending the contract by *force majeure*.

Mr. Gillies: In the course of the meetings which are going on at the present time, has the question of long term contracts for natural gas been an important factor?

Mr. Macdonald (Rosedale): United States officials have been aware of the extensive board hearings which have been going on and have expressed, in general terms, concern about the supply of gas to the U.S. market, but of course they recognize that the question remains hypothetical until the board has made its determination and the government in turn has made its decision.

OIL—GOVERNMENT ACTION TO OFFSET POSSIBILITY OF INCREASED IMPORTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources on the same general subject. Has he now had an opportunity to inform himself as to the extent to which our export of crude oil will fall below imports in the latter part of 1975—the projected figure is some 200,000 barrels a day, as I understood the minister to indicate some months ago? If this prediction is unchanged, is it now the policy of the government to accept this situation and the very large consequent deficit in our balance of payments which will follow, or does the government have any plans to offset this effect?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As the hon. gentleman knows there is a level now set of 800,000 barrels a day being exported to the United States. I suggested at the time of publishing the Energy Board report that the government would consider moving down to a level of 650,000 barrels a day as of July 1, subject to consultation with the provinces. There has been discussion at the official level with the provinces. Because of its fiscal consequences, this will be a matter to come before the first ministers in April. It will depend very much on the outcome of that meeting whether the level remains at 800,000 barrels a day. However, subject to any sudden or unforeseen increase in imports, I would say the account should remain roughly in balance.

[Mr. Macdonald (Rosedale).]

Mr. Stanfield: May I ask, then, what is the intention of the government, subject to consultation with the provinces? Is it to seek the approval of the provincial governments to reduce exports to some 650,000 barrels a day by mid-1975? Is this still the policy as it seemed to be when the minister last spoke on the subject?

Mr. Macdonald (Rosedale): Having set the figure of 650,000 barrels a day, naturally, we will discuss it with the two provinces most affected before making a final decision.

* * *

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—REQUEST FOR REPORT ON NEGOTIATIONS AND RATE OF PAY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct my question to the President of the Treasury Board. In view of the serious effects of the continuing strike of public service employees, I wonder whether the negotiations are continuing and, if so, whether there is a basis to the claim of the employees that most of those who were receiving wages when collective bargaining started a few years ago comparative to the wages paid for similar jobs in private industry are now being offered in many cases an increase which will bring their pay to not much more than half the pay of employees in private industry.

Hon. Jean Chrétien (President of Treasury Board): My answer to the first part of the question is that I hope the parties will meet again tomorrow. We are willing to sit down at the negotiating table and try to come to an agreement. As for the second part of the question, I do not think the allegation is true.

STRIKE OF GENERAL LABOUR AND TRADES GROUP—SUGGESTED TABLING OF ANALYSIS BY PAY RESEARCH BUREAU

Mr. David Orlikow (Winnipeg North): I wonder whether the minister, if the negotiations are not brought to an amicable conclusion in the next few days, would make a statement in the House or table for members of the House the analysis done by the pay research bureau comparing wages paid to these employees with wages paid to workers doing similar work in the private sector of the economy.

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I think that it would not be advisable to start negotiations in the House of Commons. I think that those people have the right to strike, a right which has been given to them by the parliament of Canada and which we respect.

Some hon. Members: Hear, hear!

[*Translation*]

CRIMINAL CODE

GOVERNMENT INTENTIONS WITH REGARD TO ABORTION PROVISION

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

Following a decision made by a Boston jury that Dr. Kenneth Edelin is guilty of involuntary manslaughter for the destruction of a foetus during a legal abortion, does the government intend to use this verdict to amend the provisions of the Criminal Code as concerns abortion in our country?

[*English*]

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, may I take notice of that question.

* * *

ENERGY

SUGGESTED CONSULTATIONS WITH AUTOMOTIVE INDUSTRY ON MEASURES TO CONSERVE GASOLINE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Following his recent statement that efforts should be undertaken in order to conserve energy, has the minister had discussions with the automotive industry to recall certain vehicles that do not meet a certain standard of performance, such as for example, half ton pick-ups which use gasoline at the rate of seven or eight miles to a gallon, which is not a good performance?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Personally I have not, although my officials have been and are in the process of contacting industry with regard to ways in which industry can be of assistance. With regard to the automobile industry in particular, given the parallel goals that the United States administration has had over a period of years, we would seek to direct the auto industry to less wasteful means of propulsion systems in automobiles, thereby significantly conserving energy.

Mr. Korchinski: May I ask the minister whether discussions are also being held with the automotive industry to encourage them to design anti-pollution devices in such a way that they may be turned off, particularly in rural areas where pollution is not a problem, because these devices are great gas consumers.

Mr. Macdonald (Rosedale): Mr. Speaker, we recognize the problem and in conjunction with my colleague, the Minister of the Environment, we will be pursuing that question as well.

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—GOVERNMENT POSITION ON INCLUSION OF COLA CLAUSE IN CONTRACT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a supplementary question for the President of the Treasury Board with respect to the negotiations that are going on. I wonder whether or not he accepts the Acting Prime Minister's statement of policy yesterday, in as much as he rejected the comment of the Minister of Finance with respect to the COLA clause, and whether the inclusion of the COLA clause in the negotiations is acceptable to the Treasury Board.

Mr. Speaker: Order please. I do not want to restrict the hon. member's right to ask a question, but I have great difficulty in relating that question as a supplementary one to the question on gas consumption.

Mr. Forrestall: Mr. Speaker, I did try to catch your eye with respect to a question asked by the hon. member for Winnipeg North. Mine was supplementary to his.

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I will just reply by saying that it would not be advisable to negotiate in the House of Commons.

Some hon. Members: Oh, oh!

* * *

● (1430)

TRANSPORT

ST. LAWRENCE SEAWAY—REQUEST FOR PUBLIC HEARING BEFORE DECISION ON REFINANCING

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct my question to the Minister of Transport and it relates to the St. Lawrence Seaway. I am well aware, as is the minister, that many telegrams and letters have been received in respect of the 10 per cent increase in tolls and the need for a public hearing. Has the minister received representations to that effect and what was his answer?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker, I receive representations and the department is now working on a paper for cabinet in order to see whether we can refinance the whole seaway, and I will have to discuss this matter with the Minister of Finance.

An hon. Member: Is that a further policy statement?

Mr. Marchand (Langelier): You know what the seaway debt is. I think it amounts to $30 million per year. They do not collect enough money to even pay the taxes, so I think we must have a new scheme, and I hope that I will be in a position shortly to make an announcement.

Mr. Alexander: In light of the fact there has been some concern about this government moving in a unilateral direction on this matter, and keeping in mind that there has been concern registered regarding our export trade, Canada-U.S. relations and a concern on the part of pri-

mary and secondary industry, would the minister now give some assurance that he will implement a policy of holding public hearings prior to the cabinet making a decision? In other words, will he attempt to get all the input possible on the economic factors involved before the cabinet makes a decision on this extremely important matter?

Mr. Stanfield: Like Pickering.

Mr. Marchand (Langelier): Yes, it was very useful.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): When the hon. member says that we are acting unilaterally, perhaps I should point out that the United States did the same thing. One day they decided to maintain their tolls in order to reduce the debt, and they did that without consulting us. We were just informed of it. We may have to do the same thing, or find some other formula. As to whether it is necessary to have a public inquiry, I submit that if we can avoid it we will.

Some hon. Members: Oh, oh!

Mr. Alexander: Mr. Speaker, I do not know whether the minister realizes that this is an extremely important and sensitive matter which he should not be treating lightly, and I do not think that he is, but I should like to ask one final question in order to get some assurance from the minister in respect of the direction he is going. Can he assure the House at this time that when he eventually makes a refinancing decision in respect of the St. Lawrence seaway he will make every effort to prevent increases in tolls which would seriously affect our export trade, Canada-U.S. relations and primary and secondary industries in Canada?

Mr. Marchand (Langelier): Mr. Speaker, I can assure the House that this is something I will have in mind from the very beginning to the end.

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AGRICULTURE

POSSIBILITY ORGANIZED CRIME CAUSES INCREASE IN PRICE OF HAMBURGER—REQUEST FOR STRENGTHENING OF INVESTIGATING COMMISSION

Mr. Gordon Towers (Red Deer): Mr. Speaker, in view of the fact that the Food Prices Review Board investigation in the meat industry did not reveal any significant facts, with the chairman stating that the current inquiry into beef marketing will accomplish very little, and in view of the statement of the chairman of the Quebec police commission that organized crime has even cost the teenager a little more in respect of the price of a hamburger, will the Minister of Agriculture strengthen the terms of reference of the commission to include the services of the RCMP in order to conduct an in depth investigation?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the commission will use all the people it thinks can help it in carrying out a proper investigation.

[Mr. Alexander.]

Mr. Towers: Mr. Speaker, will the terms of reference provide that witnesses can be issued subpoenas and questioned under oath?

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CANADIAN BROADCASTING CORPORATION

ALLEGATION SHOWING OF FILM "WHERE ARE YOU GOING COMPANY TOWN", UNFAIR TO TRAIL, B.C.—REQUEST FOR REDRESS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in view of the fact that the National Film Board has produced and shown on national CBC a so-called documentary film entitled "Where are you going Company Town", which is a biased, distorted, profane and unfavourable representation of the city of Trail, will the Secretary of State request a national showing of a previously produced unbiased film to be shown to Canadians to at least in part redress the wrong perpetrated on Trail by the CBC and the National Film Board?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will make those representations known to the corporation.

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AGRICULTURE

BROILER CHICKENS—ALLEGED UNJUSTIFIED DIFFERENCE BETWEEN RETAIL PRICE AND PRODUCERS' RETURN—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Agriculture what he proposes to do regarding the charges raised by the Food Prices Review Board in its report on the broiler chicken industry to the effect that the price spread between what the producer gets and the retail price cannot be justified?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, there is no national broiler chicken marketing board. There are provincial marketing boards such as the one here which has its authority vested by the province of Ontario. We do grant them the authority to operate interprovincially. They may be operating in a fashion that some hon. members would question, and if hon. members can give me some real evidence of that other than what Mrs. Plumptre presents I will look into it.

BROILER CHICKENS—INCREASED AMOUNT IN STORAGE—POSSIBLE USE IN FOREIGN AID PROGRAM

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would then ask the minister what he proposes to do about the growing cold storage surplus of broiler chickens in Canada, which I understand has increased from 31 million pounds in September to 34 million pounds today? Perhaps I could also ask the minister whether he intends to pursue his plans to set up a broiler chicken marketing board, notwithstanding the recommendations of the Food Prices Review Board?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the National Farm Products Marketing Council held hearings last year in respect of whether there should be a broiler marketing agency for Canada. Hearings were held and views were expressed. The council then proceeded with a draft agreement, but the agreement has gone no further. I think that is probably because of the inquiry into the national egg marketing agency called CEMA. I am not prepared to go ahead at this time until there is more federal authority, or until more federal authority can be vested in such an agency because I do not see how it could properly be run without it. The fact that there is a surplus of broiler chickens in storage has nothing to do with any national marketing program. These provincial marketing boards run their own systems at the present time. Such a federal or national agency would require a proper supply management program, and that would have to be put into effect before I would sign any agreement that required a federal authority as a signatory.

Mr. McGrath: Mr. Speaker, I would ask the minister whether, in the absence of a national agreement, he proposes to carry out his responsibilities as the Minister of Agriculture for Canada, in meeting with his provincial counterparts to see whether a plan can be devised to get these chickens out of cold storage to be used as part of our foreign aid program, or put on the market to the advantage of the Canadian consumer?

Mr. Whelan: Mr. Speaker, I would say that the poultry producers have a certain cost involved in the production of poultry, and if society as a whole wants to put the poultry on the market or into some foreign aid program, that would be the job of society as a whole. Society as a whole should have the total authority for putting them into foreign aid or on the market. There is no sign of waste. We have investigated the storage facilities in which these broilers are stored at the present time and I am told there is no chance of waste at the present time. I am also told that producers are voluntarily cutting back on production. This is a free wheeling type of operation and there is no real federal jurisdiction or control in respect of production at the present time.

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BILINGUALISM

PETITION FROM QUEBEC PROTESTANT SCHOOL BOARDS ASKING FOR REFERENCE OF BILL 22 TO SUPREME COURT—GOVERNMENT POSITION

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, my question is directed to the Acting Prime Minister. Will he confirm that the Governor General and the Privy Council, through the office of the Prime Minister, have received a petition from the Quebec Association of Protestant School Boards, containing some 47,000 signatures, asking the government to refer Quebec's bill 22 to the Supreme Court of Canada and, if so, what is the intention of the government in response to this petition and request?

● (1440)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I can confirm that such a petition has been received. It will of course be studied, as it deserves to be, by the cabinet. I can only say by way of answer that on the questions of policy the Prime Minister has indicated on certain occasions the general attitude the government would take in these matters, namely, that disallowance is a procedure which has not been in effect for many years, and we are most reluctant to employ it, and also that if there were to be a private action against bill 22, the government might be disposed to participate. These questions will all be considered in the light of the petition which has been presented.

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ENERGY

SYNCRUDE PROJECT—REQUEST FOR INVESTIGATION OF COST BY COMMITTEE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the vast amount of federal funds committed to the Syncrude project, and considering as well that the cost estimate given to the public and hon. members of the House escalated from $2 billion to $2.9 billion, I wonder if the minister would agree, prior to the government signing a final set of contracts on the project, to the establishment of a special committee of the House to investigate the commitments of the government and all costs related to the Syncrude project with a view to reporting back to this House prior to any signing of final contracts by the government.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): With relation to the allegations made last week by the hon. member's colleague about a cost escalation, I would advise that the $900 million alleged escalation is made up of a $226 million escalation in the cost of the utility plant, which is not the responsibility of the Syncrude partners but of the government of Alberta; of mortgage financing for housing of $100 million, which again is the responsibility of the province of Alberta; of $500 million interest during construction which, because it is all financed by equity funds, is not relevant; and the sum of approximately $30 million in relation to saline water disposal anticipated in part under the contingency fund already provided for.

The estimated costs are still estimated at the level of $2 billion. There will be in the final supplementary estimates coming forward an application for a supplementary estimate of appropriation for this, which would provide an initial forum, at least, where we could have a discussion of the details of the transaction which I personally would welcome.

Oral Questions

SYNCRUDE PROJECT—INCLUSION IN COST ESTIMATE OF ENVIRONMENTAL COSTS—REQUEST FOR TABLING OF COST ESTIMATES WITHIN AND OUTSIDE GOVERNMENT COMMITMENT

Mr. Edward Broadbent (Oshawa-Whitby): Would the minister inform the House in the current estimate of $2 billion, which he says is still the one held by the government, whether environmental costs are included. When he answers that would he also consider tabling for hon. members of the House and for the public all of the aspects of the Syncrude project which are to be included in the estimates of the government and those cost estimates which will be outside the purview of the commitment of the federal government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would be glad to make that clear. As I indicated in answer to a previous question, the studies done by the government of Alberta of course are its property rather than that of this government, and if there is to be a tabling, they would have to be translated. We would be glad to put before the House and before the committee the details of the nature of the obligations being assumed by the partnership and that being assumed by the government of Alberta.

With regard to environment, as I indicated, there is involved in the $2 billion figure a contingency amount for environmental problems of the kind referred to.

Mr. Broadbent: I have a final supplementary, Mr. Speaker. Due to the fact that by the time the House considers the estimates the agreement will already have been reached and therefore serious consideration of the policy would be too late, is the minister saying that the government does not intend the House to have the opportunity to investigate all aspects of the Syncrude project thoroughly prior to its making a commitment?

Mr. Macdonald (Rosedale): Mr. Speaker, I would anticipate having some difficulty executing a contract in relation to the Syncrude project without first having the approval of the House for the appropriation to enter into the transaction.

* * *

[*Translation*]

CRIMINAL CODE

RESTORATION OF CAPITAL PUNISHMENT—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the Solicitor General of Canada.

A policemen congress from the Maritime provinces took place recently where a resolution was adopted recommending the restoration of capital punishment in Canada. Is the minister aware of this resolution, did he receive a copy of it and did he follow it up?

[*English*]

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker, I have not yet received a copy of the said resolution, although I have read about it in the press. On the other hand, when I was invited to this meeting, I told the organizers that I already had a commitment for that particular day but that I would be willing to meet with representatives or the executive following the meeting to discuss the issues with them, but I have not yet heard from them.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question.

The minister says he had a previous engagement, but if it had not been the case, can he affirm that he would have attended the congress?

[*English*]

Mr. Allmand: No, Mr. Speaker. I receive many requests for engagements in this country, and I had made a commitment on this occasion. I promised to meet representatives from that meeting, or their executive and so far I have not heard from them. If they wish to meet with me, I would be quite willing to do so.

* * *

PENITENTIARIES

BRITISH COLUMBIA—ALLEGED LOCKING-UP OF NEWSPAPER REPORTERS—GOVERNMENT ACTION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is also addressed to the Solicitor General. Is the Solicitor General aware that last evening 12 newsmen, including cameramen, who had gone to the B.C. penitentiary to get a news story in regard to a hostage being held at that time were invited inside and locked up—penned up, one might even say—and held incommunicado for over two hours, even half an hour after the hostage had been released?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I was only advised by a newsman of this matter after I came into the House this afternoon, and I promised him that I would look into it immediately.

An hon. Member: Why did they let them out?

Mr. Allmand: I might say that I received information this morning about the hostage case, but I was not told about this incident with respect to the press.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, when the minister makes his report, would he let us know upon whose orders this particular action was taken and also the action that he proposes to take to ensure that this does not happen again and that those responsible will be dealt with appropriately?

Mr. Allmand: Yes, Mr. Speaker.

FOREIGN INVESTMENT REVIEW ACT

EFFECT OF PROVISIONS OF ACT ON MARITIME PROVINCES—GOVERNMENT ACTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and Commerce. In view of the opinion expressed by the premiers of the Atlantic provinces that Canada's Foreign Investment Review Act is placing restrictions on foreign companies and investment in Atlantic Canada at a time when unemployment in our area is 11 per cent or more and rising, is it the intention of the minister to propose that the controversial second part of this legislation be shelved when he meets with the provincial industry ministers on March 10 and 11?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): No, Mr. Speaker, but I do intend to meet with those ministers on that occasion to discuss with them the operation and consultative mechanisms set up by my department and with their departments.

* * *

INQUIRY OF THE MINISTRY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the government House leader. Where is the Prime Minister, what is the matter with him, and is it serious?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am very glad to see that the hon. gentleman is just as concerned as the rest of us about the health of the Prime Minister. The Prime Minister has the 'flu. I gather that he was very anxious to come into the House today, but his doctor said it would be advisable that he remain home for another day. I will pass on to the Prime Minister the concern of the hon. member. I know that he will appreciate it very much.

* * *

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—EFFECT ON FOREIGN GRAIN COMMITMENTS—GOVERNMENT ACTION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I would like to direct my question to the President of the Treasury Board with respect to the strike of public service employees now taking place. In view of the fact that at the time of the grain workers strike in the fall of 1974, the Canadian Wheat Board indicated that if the strike lasted for six weeks it would take until mid May, 1975 to fulfill foreign grain commitments, and because there has been at least one other work stoppage, I wonder if the minister is in a position to indicate whether there are any contingency plans to move grain if this current strike persists in view of the very detrimental effect it may have with respect to our foreign commitments.

● (1450)

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): This aspect of the problem does not come under my responsibility, Mr. Speaker. The employees involved have the right to strike. Parliament has given them this right and I believe we must respect it. Of course, any strike creates problems in various sectors of the economy, but Parliament did allow these employees to use this weapon, and I respect this wish.

[*English*]

STRIKE OF GENERAL LABOUR AND TRADES GROUP—POSSIBLE FORMATION OF PUBLIC INTEREST DISPUTES COMMISSION

Mr. Ray Hnatyshyn (Saskatoon Biggar): Mr. Speaker, I accept the position the minister takes with respect to the right to strike but in view of the fact that this matter has some serious consequences for the producer in western Canada and across the country, I wonder if he is in a position to indicate whether the government will give consideration to the formation of a public interest disputes commission in order to ensure that Canadian grain producers will not be subject to sales losses as a result of future strikes, slowdowns or work stoppages?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I now have no indication that the strike has seriously disrupted the movement of grain to ports, or the shipping of grain to our customers. In any event, I do not see why, when grain is concerned, the right to strike should be withdrawn and other sectors of the economy allowed to use it. The right to strike is either respected or it is not!

* * *

[*English*]

IMMIGRATION

REQUEST FOR EXPLANATION WHY ROOSEVELT DOUGLAS STILL IN CANADA FOLLOWING DEPORTATION ORDER

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Acting Minister of Manpower and Immigration and concerns the very disturbing circumstances involving one Roosevelt Douglas who is a criminal convicted in the 1969 burning and smashing of the computer at Sir George Williams University. His appeal against deportation was turned down after the minister and the Solicitor General last year signed a rarely used form which indicated that it would be "contrary to the national interest" to allow this professional troublemaker to stay in Canada. Can the acting minister advise why such a person, considered by the court to be a security risk, is still in Canada and last week surfaced to publicly criticize the green paper on immigration?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I will take that question as notice.

Oral Questions

EXTERNAL AFFAIRS

PROPOSED SALE OF OFFICE FURNITURE TO CUBA BY LITTON EQUIPMENT—ACTION BY UNITED STATES

Mr. Alan Martin (Scarborough West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Could the minister indicate if the government has received any response from the government of the United States of America with reference to the concern registered by the Canadian government over the proposed sale of office furniture to Cuba by the Scarborough based firm of Coles Division of Litton Equipment?

An hon. Member: It is all settled.

An hon. Member: That is old news.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the answer is yes. I believe in this particular case a waiver was granted to allow the sale to go forward. I certainly regard it as a positive development in the situation.

CYPRUS—GOVERNMENT VIEW OF DECLARATION OF TURKISH CYPRIOT STATE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is also for the Secretary of State for External Affairs. In light of the recent unilateral declaration by Turkish Cypriots of a separate state in Cyprus while negotiations were going on between Turkish and Greek Cypriots, will the government of Canada express its disapproval of this action based as it is on military force and a defiance of the unanimous resolution of the United Nations Security Council on November 1 which called for speedy withdrawal of all foreign armed troops, and the continuation of negotiations with a view to reaching a free and mutually acceptable settlement?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the government of Canada has learned with concern of the statement by the Turkish Cypriots on that island. We have, as you know, considerable peacekeeping obligations there and for that reason have attempted to avoid taking sides. We have urged the parties to negotiate however, and of course formal negotiations began earlier this year. There can be no doubt that the announcement made by the Turkish Cypriots must be regarded as a serious setback to the success of those negotiations. I might add to my hon. friend that we must note that the Turkish Cypriots have not gone beyond asking for a federated state, and therefore the Canadian policy of supporting the independence and territorial integrity of Cyprus has not been breached by this statement. I do, however, regard it as a serious setback to the success of the negotiations. I believe that now all countries must urge the two parties on the island to resume negotiations, even though this complicating circumstance has intervened.

Mr. Brewin: A supplementary question, Mr. Speaker. I should like to ask the minister whether the setting up of a separate state entirely outside the negotiations is a preliminary move toward the partition and destruction of the integrity of the Republic of Cyprus?

Mr. MacEachen: Mr. Speaker, the statement itself does not constitute a request for partition or for an independent state. To that extent, it meets the concern of my hon. friend and to that extent it ought to be greeted with a certain amount of satisfaction.

* * *

[*Translation*]

BILINGUALISM

SUGGESTION UNEMPLOYMENT INSURANCE EMPLOYEES BE GRANTED BONUS—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a question to the President of the Treasury Board.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I should like to ask a supplementary.

Mr. La Salle: May I go on with my question, Mr. Speaker? Considering that since last Thursday the Unemployment Insurance Commission offices on Montreal island refuse to answer in English, that employees classified as French unilingual must answer many inquiries made in English and also that those employees have asked to be entitled to the 7 per cent bonus since they must give information in both languages, can the minister now say whether he is willing to comply with the request?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the government policy on the bonus for bilingualism does not apply to this category of employees, but to a special category of secretaries, here in the House of Commons and in Ottawa, who receive this bonus. We are not projecting to extend this bonus to other categories of federal public servants. I could not agree to this demand, and I hope the employees concerned will do their duty and answer government customers in both official languages.

Mr. Speaker: The hon. member for Victoria.

Mr. Prud'homme: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: I shall recognize the hon. member later, but for the moment, the hon. member for Victoria has the floor.

[*English*]

The hon. member for Victoria.

* * *

NATIONAL DEFENCE

ALLEGED DESIGNATION OF CANADA TRUST TO PRESENT RETIREMENT SAVINGS PLAN TO MEMBERS OF FORCE—GOVERNMENT POSITION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. Can the minister confirm that Canadian Armed Forces bases have

been ordered to set up meetings between armed forces personnel and salesmen from Canada Trust Company for the presentation of a registered retirement savings plan and that in remote areas where it is difficult for the Canada Trust salesmen to reach the bases, commanding officers have been ordered to pass on instruction with the sales kits?

● (1500)

Hon. James Richardson (Minister of National Defence): Mr. Speaker, it is correct to say that Canada Trust is setting up a retirement savings plan for those who may wish to join it, but I cannot confirm or deny the actual arrangements which have been outlined.

Mr. McKinnon: Mr. Speaker, if the minister will refer to National Defence Headquarters message 071815Z he will see what I am referring to. Does he see nothing wrong with his department's shilling for Canada Trust in the high pressure sales world of registered retirement savings plans?

Mr. Paproski: Shame!

Mr. Richardson: Mr. Speaker, I think the retirement savings plan will be of benefit to the individuals within the armed forces who participate in it.

Mr. McKinnon: A further supplementary question, Mr. Speaker. As a message has gone out to all bases clearly saying that Canada Trust alone has been selected by the department to act as trustee, does the minister not consider this an improper position for the department to take?

Mr. Richardson: Mr. Speaker, the members of the armed forces, as individuals, are entitled to join any retirement savings plan they wish. This is an attempt by the department, after long study, to select a company that can be of service to the individuals of the armed forces who wish to participate in a retirement savings plan. There is absolutely no compulsion of any kind. It is a benefit to the armed forces.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. There is time for one more question.

* * *

EXTERNAL AFFAIRS

VISIT OF MINISTER TO AFRICA—INQUIRY AS TO ROLE OF CANADIAN INTERNATIONAL DEVELOPMENT AGENCY AND PAUL GERIN-LAJOIE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. Will the Minister advise the House if he will be accepting the invitation to visit Africa in April, whether he is going under the auspices of the Canadian International Development Agency and whether Paul Gerin-Lajoie will be accompanying the minister on this "fun-in-the-sun" excursion.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have just had a suggestion from one of my hon. friend's colleagues to join the "fun-in-the-sun", so he ought not to be scandalized at the prospect of that happening. I am planning to take a working visit—

Some hon. Members: Oh, oh!

An hon. Member: Are you taking your bathing suit?

Mr. MacEachen: —which I look forward to with a certain amount of trepidation.

Mr. Stanfield: Are you going to Uganda?

Mr. MacEachen: I have not decided on my travelling companions, as yet.

Mr. Speaker: Orders of the day.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, my question of privilege is related to the fact that I mentioned three times that I would like to ask a supplementary of the Secretary of State for External Affairs.

[*English*]

With your permission, now that I have been recognized I wish to direct a supplementary question to the Secretary of State for External Affairs. My supplementary—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Nowlan: You have not been here long enough.

Mr. Speaker: Order, please. The hon. member must realize that he joins some very impressive company in the House in this regard.

Mr. Peters: Mr. Speaker, I rise on a question of privilege on behalf of all members of this House. It seems to me that the practice of the House has always been, and I think it is borne out by Roberts and other authorities on procedure, that a question of privilege or point of order shall take precedence over other business being debated. Your Honour has recently seen fit not to hear a point of order or question of privilege at the time of its being raised and to hear it only after the conclusion of a series of discussions.

Apart from whether the point raised just now had merit, I suggest, on behalf of all hon. members, that Your Honour should hear a question of privilege as soon as it is raised. It has always been the practice of the House that we interrupt whoever has the floor in order to allow an hon. member to put his point of order or question of privilege. I suggest that we would be better served if that practice were to continue.

Some hon. Members: Hear, hear!

Mr. Speaker: With respect to the hon. member's point, I have tried, when points of order or questions of privilege have been raised, to indicate to hon. members who are raising them that I see them and recognize that they have a question of privilege or a point of order to raise. In some

cases hon. members have seemed to agree, at my urging perhaps, that their question of privilege or point of order would be as well served if they did not interrupt the hon. member who was in the midst of a particular line of questioning. In other cases hon. members have indicated that their point of order or question of privilege had some urgency in that it related to them personally.

The fact that a question of privilege or point of order is recognized as being in order is, I submit, adequate. There is nothing, it seems to me, in the practices or precedents of the House which says that the raising of a point of order or question of privilege ought to stop, in mid-sentence, a member who is in the course of developing a supplementary line of questioning. I am simply trying to combine the two points of view and to be fair to all members at the same time.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: The hon. member for Témiscamingue on a question of privilege.

Mr. Caouette (Témiscamingue): Mr. Speaker, with all due respect to the Chair, I think that under standing orders the hon. member for Timiskaming (Mr. Peters) is perfectly right when he says that a question of privilege must interrupt all parliamentary proceedings and allow all hon. members to hear that question of privilege. The Chair decides whether there is a question of privilege, but first the right to raise it must be recognized anyhow.

Mr. Speaker: With all due respect to the hon. member for Témiscamingue, I shall point out that I tried to explain that it is because of that and of well established precedents that I recognized the hon. member for Saint-Denis on his question of privilege. I suggested that the oral question period go on for the other two members. But had the hon. member for Saint-Denis insisted on raising his question of privilege at that time, I would have heard him, but if he permits me to recognize the other two members to finish the oral question period before he asks his question, the House and the Chair agree.

GOVERNMENT ORDERS

[*English*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

ORDER OF REFERENCE TO STANDING COMMITTEE

Hon. Mitchell Sharp (President of the Privy Council) moved:

That the Standing Committee on External Affairs and National Defence be empowered to hear evidence on and to consider Canadian policy with respect to the question of continuing defence cooperation with the United States and in particular the future of the North American Air Defence agreement (NORAD); and

That the Standing Committee on External Affairs and National Defence be empowered to hear reports from Canadian delegations which have met with delegations from foreign parliaments or attended interparliamentary assemblies.

[Mr. Speaker.]

Motion agreed to.

* * *

INCOME TAX ACT

The House resumed, from Friday, February 14, consideration in committee of Bill C-49, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Chairman: When the committee rose last Friday, February 14, 1975, clause 28 had been carried. The committee will now proceed to the consideration of clause 29.

● (1510)

On clause 29.

Mr. Cullen: Mr. Chairman, there is a technical amendment to be moved here. I would ask the Minister of Energy, Mines and Resources to be good enough to move this amendment.

Mr. Macdonald (Rosedale): I move:

That clause 29 of Bill C-49 be amended

(a) by striking out lines 36 to 42 on page 49 and substituting the following:

"receivable."

(2) Subsections 59(2) to (5) of the said act are repealed and the following substituted therefor:

"(2) There shall be included in computing a taxpayer's income for a taxation year any amount in respect of

(a) a Canadian resource property,

(b) a foreign resource property,

(c) any property described in paragraph (1.1) (b),

(d) any property described in any of subparagraphs 66(15) (c) (i) to (vi) that is not property described in paragraph (1.1) (b), or

(e) any property described in any of subparagraphs 66(15) (c) (i) to (vi) if the references therein to "in Canada" were read as references to "outside Canada",

that has been deducted as a reserve under subsection 64(1) in computing his income for the immediately preceding taxation year.

(2.1) There shall be included in computing a taxpayer's income for a taxation year any amount that has been deducted as a reserve"

(b) by striking out line 9 of the French version on page 49 and substituting the following:

"*a*) d'un avoir minier canadien, ou"

(c) by striking out line 43 of the French version on page 50 and substituting the following:

"biens visés à l'alinéa (1.1)*b*), les"

[*Translation*]

Mr. Stanfield: Explain.

Mr. Macdonald (Rosedale): Mr. Chairman, I cannot give a legal opinion.

The Chairman: Hon. members have heard the minister's proposition.

[*English*]

Mr. Nystrom: The Minister of Energy, Mines and Resources cannot possibly give an opinion. I wonder whether the parliamentary secretary could explain the purpose of the amendment.

[*Translation*]

Mr. Cullen: Of course, Mr. Chairman, I think that in English, for the hon. member's information—

[*English*]

Explanatory note (a), the words "in that year" were deleted at line 36 on page 49 since they are not required. Subsection 59(2) has been amended at lines 37 to 39 on page 49 to change the previous reference because of other changes to subsections 59(1) and 59(3). The amendments in subsection 59(2) are only technical and there is no change in policy or application of the section.

The words "deducted as a reserve" have been added at line 42 on page 49 to the previous subsection 59(2.1). These words are consistent with other sections in the act where the deduction from income is in the form of a reserve. With regard to 59(1)(b), this amendment at line 9 on page 49 merely corrects the French translation to correspond with the English. Appropriately enough, (c), the amendment at line 43, page 50, merely corrects the French translation to correspond with the English.

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause as amended agreed to.

On clause 30.

Mr. Alexander: Mr. Chairman, I wonder whether the parliamentary secretary can advise me on this matter. I notice a change here, as a result of underlining, as follows:

—or as a payment to or under such a plan under which his spouse is the annuitant, as permitted by section 146—

In my ignorance, I ask whether in fact we can start now, in terms of International Women's Year, to bring in an amendment regarding "his or her spouse." Second, I want to know whether in fact this means the spouse is entitled to two deductions. I believe there is something like $4,000 or $4,500 now. Does this mean the husband can be involved with the plan, and if his wife is involved or has the right to be involved with it there is a further reduction amounting to something like $8,000 which would be involved under this section? Perhaps the parliamentary secretary would answer my first question regarding "his or her," amending the whole act accordingly, and my second question as to whether there is a double deduction in this regard.

Mr. Cullen: Mr. Chairman, I understand they are each entitled to the deduction, but he can contribute to hers if she is not working. Therefore, the total is there. There is not a duplication, if that is what the hon. member is worried about.

Mr. Alexander: What about my first question? Perhaps the parliamentary secretary does not think it is important. It is with regard to an amendment adding the words "or her" and the whole act being amended accordingly.

Mr. Cullen: Mr. Chairman, I believe one of my colleagues in the back bench raised that very point. Under the Interpretation Act "his" does mean "her". If the private member's bill of my colleague is carried, perhaps we will have it the other way around. However, under the Interpretation Act "his" does mean "her".

Mr. Neil: Mr. Chairman, I would like further clarification. Is the parliamentary secretary saying that if you are working and your spouse is not, you can donate $4,000 to your own plan and $4,000 to your wife's plan, or $2,500 and $2,500 if you are on salary?

● (1520)

Mr. Cullen: I am advised that one cannot have more than $4,000.

Mr. Neil: If one spouse is not working and the other spouse is, can he or she put in $4,000 for himself and $4,000 for the spouse, amounting to two exemptions?

Mr. Cullen: You could take the one $4,000 and put it in for yourself, or you could take the $4,000 and divide it.

Mr. Nystrom: Why is the government taking this route at all? It appears to me that those able to take advantage of this concession would be the middle class or the wealthy; a person in receipt of an average income would not be able to do so. Why does not the government set aside money to establish, for example, a pension plan for housewives? This proposal seems to cater basically to the wealthy.

Mr. Cullen: The quick answer is that this is simply an extension of the law as it presently exists; we are taking it one step further.

Mr. Nystrom: I realize it is an extension of the present law, but I wonder why we are moving in this direction instead of doing something for the poor people. If we stopped doing all these things that help the middle class, we could perhaps establish a pension plan which would help the poor, the ordinary working people.

Mr. Cullen: If the hon. member would consider not only what we have done for the middle class but also for those in the lower and middle income groups, he would find that a very fair balance has been struck. What the hon. member is suggesting may have merit, but we can only go so far at one time. There is a limit to the funds which are available to go around.

Mr. Ritchie: Will this be classified as a gift by those provinces which presently tax gifts? Has the hon. gentleman received any legal opinion on this point?

Mr. Cullen: I am sorry, I did not hear the hon. member's question.

Mr. Ritchie: I know that in Manitoba, for example, if a husband gives his wife more than $5,000 it becomes taxable. Would the $4,000 proposed here add up to part of a gift as far as that province is concerned?

Mr. Cullen: The point is well taken. However, the provinces are aware of what we propose to do in this legisla-

tion and they would have to react in order to give effect to the changes set out in the bill, changes which I am sure the hon. member would wish to see.

Mr. Ritchie: Presumably, then, this would be tested in court.

Mr. Cullen: It is not a question of testing it. The hon. member mentioned Manitoba. The law would apply and a provincial tax would be payable. I think we would want the provinces to amend their legislation so as to give the full benefit to their residents.

Mr. Alexander: I see that in subclause (2) there is reference to the Unemployment Insurance Act and to the Unemployment Insurance Commission. There is something here, too, with respect to computing income tax; provision for deducting fees and expenses incurred in preparing, instituting or prosecuting objections to rulings of the commission, and so on. I see the former minister of labour sitting over there. He has more wisdom in this field than I have. These are not familiar words to me. Are they to be found in the Unemployment Insurance Act? What do the words "instituting or prosecuting an objection" mean? Are we talking about a lawyer who acts on behalf of a disgruntled applicant? I may say I am in agreement with this provision, being familiar with all the bureaucratic red tape surrounding the monstrosity we now have.

Mr. Cullen: This covers the expenses of an appeal against a decision of the Unemployment Insurance Commission. It is a relieving amendment related to paragraph 60(o) under which a taxpayer when computing his income may deduct expenses incurred in appealing a decision of the Unemployment Insurance Commission, a board of referees or an umpire. It is, in effect, a relieving section. The hon. member might be interested to know that it does include lawyers' fees.

Mr. Alexander: Mr. Chairman, I am tempted to rise on a question of privilege. I was merely seeking information. However, since the hon. member has given me that information I can understand members of the legal profession taking greater interest in these matters.

Mr. Cullen: I never think of the hon. member as being a lawyer, but always as a member of parliament.

Some hon. Members: Hear, hear!

Clause agreed to.

On clause 31.

[*Translation*]

Mr. Macdonald (Rosedale): Mr. Chairman, I move:

That clause 31 of the French version of Bill C-49 be amended by striking out lines 27 and 28 on page 53 and substituting the following:

"60.1 Quand, après le 6 mai 1974, il est intervenu un"

Amendment agreed to.

[*English*]

Clause as amended agreed to.

Clauses 32 and 33 agreed to.

On clause 34.

[Mr. Cullen.]

Mr. Cullen: We have an amendment here, Mr. Chairman.

[*Translation*]

Mr. Mackasey: Mr. Chairman, I move:

That clause 34 of Bill C-49 be amended as follows:

(a) by striking out line 47 on page 54 and substituting the following:

"virtue of the disposition of a property to"

(b) by striking out line 10 on page 55 and substituting the following:

"taxation year, there may be deducted as a reserve in"

(c) by striking out line 23 on page 55 and substituting the following:

"the property that is not due until a day"

(d) by striking out line 27 on page 55 and substituting the following:

"(i) the amount deducted"

(e) by striking out line 29 on page 55 and substituting the following:

"(a) in respect of the property in computing the taxpayer's income for the immediately preceding taxation year, and"

(f) by striking out line 31 on page 55 and substituting the following:

"amount in respect of the property that is not due until a day"

and

(g) by striking out line 33 on page 55 and substituting the following:

"year and for greater certainty, no deduction may be made in respect of any amount or portion of any amount referred to in paragraph (a) or (b) by virtue of paragraph 20(1)(n)."

● (1530)

[*English*]

The Chairman: Order please. Just for the sake of clarity, let me point out that the minister has moved the French version of the amendment.

Mr. Paproski: Mr. Chairman, I rise on a point of order. I notice that in the English version it reads "line 47" but in the French version it reads "line 46". Is there a reason for this?

Mr. Mackasey: It sometimes happens in the translation that one version takes a little more space than the other.

Amendment (Mr. Mackasey) agreed to.

Clause 34 as amended agreed to.

On clause 35.

Mr. Cullen: Mr. Chairman, the Minister of Finance proposed an amendment to clause 35 on February 10, 1975. I would now like to move a new amendment to this clause and propose that we not proceed with the earlier amendment. The amendments were tabled earlier as a courtesy to hon. members. The Postmaster General will move the amendment to clause 35.

Mr. Mackasey: I move:

That clause 35 of Bill C-49 be amended

(a) by adding thereto immediately after line 24 on page 56 the following:

"(1.1) All that portion of subparagraph 66(3) (b)(ii) of the said act preceding clause (A) thereof is repealed and the following substituted therefor:

"(ii) the amount, if any, by which the aggregate of"

(b) by striking out lines 34 to 41 on page 56 and substituting the following:

"(D) the amount included in computing his income for the year by virtue of subsections 59(2) and (2.1)

exceeds

(E) the amount deducted under section 64 in computing his income for the year,"

(c) by striking out line 3 on page 60 and substituting the following:

"66.1(2) or deducted under subsection 66.1(3)"

(d) by striking out line 18 on page 60 and substituting the following:

"deducted or deductible, as the case may be, by the joint exploration cor-"

(e) by striking out lines 47 and 48 on page 60 and substituting the following:

"deducted by the joint exploration corporation under subparagraph 66.2(5)(b)(iv)"

(f) by striking out line 16 of the French version on page 61 and substituting the following:

"laquelle elle a repris l'exploitation active"

(g) by striking out line 8 on page 62 and substituting the following:

"paragraph 59(2)(a), (c) or (d) or a share"

(h) by striking out line 16 on page 62 and substituting the following:

"him after 1971 and before May 7, 1974) or a Canadian explora-"

● (1540)

(i) by striking out line 29 on page 62 and substituting the following:

"paragraph 59(2)(a), (c) or (d) or a share"

(j) by striking out line 51 on page 62 and substituting the following:

"by him after 1971 and before May 7, 1974) in respect of that field"

(k) by striking out line 37 of the French version on page 62 and substituting the following:

"66.2(5)b) (vi) le montant qui est devenu"

(l) by striking out line 4 of the French version on page 63 and substituting the following:

"66.1(6)b) (vi); et"

(m) by striking out line 44 on page 59 and substituting the following:

"expenses as were incurred by it during a period, before the"

and

(n) by striking out line 28 on page 60 and substituting the following:

"expenses as were incurred by it during a period, before the"

I could repeat the French, Mr. Chairman, which is a precise translation, or I could carry on in my Gaelic, whichever you prefer.

The Chairman: The committee has heard the amendment moved by the minister.

Mr. Paproski: Mr. Chairman, I have just one question in respect of clause 35, on page 66, regarding expenses. I would ask the parliamentary secretary whether this paragraph, which refers to the production or marketing of sodium chloride or potash, or a business which is involved in manufacturing products involving the processing of sodium chloride or potash, is a "once in a lifetime" deal similar to the Syncrude project in Alberta, or do the potash companies in Saskatchewan have these private deals of which we are not aware?

Mr. Cullen: Mr. Chairman, I am advised that this is a consequential amendment to subparagraph 66(3)(b)(ii) incorporating a reference to paragraph 59(32)(a) or (c) which determines the amount included in income by virtue of Canadian exploration expenses and Canadian development expenses as amended by subclause (29)(2) and (36)(1) of the bill. The inclusion of this income increases the amount of deduction by an individual of Canadian exploration and development expenses within the limitations set out in revised subsection (66)(3). I am sure if the hon. member reads that and makes the reference he will find the answer to his question.

Mr. Paproski: Thank you.

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, I rise on a point of order. This bill is sufficiently complicated as it stands, with 287 pages. It has been printed and circulated and we have all had it in our hands for several weeks. Now we are being asked to approve amendments being brought forward and read quite clearly, I grant you, but there must be 15 or 20 of them to this particular clause. With all due respect, I suggest that with the approval of the committee we should have these amendments circulated so that we can place them beside the existing text. Perhaps we could stand this clause. We are assured that these are technical amendments, but things have happened before, when technical amendments have been accepted, that have resulted in substantive changes in the law. With all due respect, I suggest that we proceed in this manner on this clause and any other clause that has so many amendments.

The Chairman: Before I recognize the hon. member for Calgary South I should perhaps deal with the point raised. I suggest it is a valid point, but to be fair to the parliamentary secretary I should point out that he indicated he was ready to suggest that clause 35 be stood in order to allow hon. members to look at the amendment. This may not prevent further discussion, but if hon. members feel the clause should be stood, that is the committee's decision.

Mr. Cullen: Mr. Chairman, in response to the hon. member—and I think his point is well taken—I would indicate that all the amendments that have been put forward were tabled on February 10 in order that the action he is suggesting could be taken. I was going to indicate that these changes, quite frankly, involve corrections to the translation. This particular amendment is a new one and involves a series of changes, but all the others were tabled for precisely the reasons indicated by the hon. member. I would be quite prepared to go through these in the interests of getting the clause passed, if that would help.

Mr. Bawden: Mr. Chairman, I would support the remarks of my colleague as they relate to the amendments we are hearing about for the first time today. It is clear that the parliamentary secretary and the minister are reading from a prepared text, and it is also evident from the way they are reading that they do not know what they are reading. They have with them in the House a deputy minister who is backed up by a cast of thousands. The assistance they have in the form of the deputy minister is vast in that he has been working on these amendments and on the budget for many, many months. I would suggest that if the action is taken as suggested, the opposition should be provided with copies of these amendments in order that we can more closely scrutinize them.

I should like to know from the minister or the parliamentary secretary what sort of support might be provided members of the opposition who are generally staffed with a first and second secretary, in order that they might probe into the effects of these amendments. In this way they could go through the bill clause by clause and line by

line with a better chance of understanding what they are being asked to deal with and pass today.

Mr. Cullen: Mr. Chairman, I would point out to the hon. member, as I did earlier today, that we have endeavoured to do just what he has suggested in respect of this income tax bill. These amendments were tabled and have been available for study for some time. When we indicated we had these amendments, they were discussed with hon. members opposite and were all tabled with the exception of the latest one. It does involve a series of amendments but, as I have said, they are for the most part technical.

In so far as the study is concerned, funds have been made available both to the hon. member's side and to our side for the provision of research staff. I would hope that he is using more than just the staff he has in his office for the purpose of research, because if he is doing just that I do not think he would be too well informed. Knowing the hon. member as I do, I rather think he has access to other sources for research. In any event, if hon. members are disturbed about this amendment to clause 35 and would like to read the amendments and check them, we will give them copies, stand the clause and go on to the next one.

The Chairman: Is it agreed that clause 35 be stood?

[*Translation*]

Mr. Béchard: Mr. Chairman, although I have no wish to be sarcastic, I hear complaints about amendments moved this afternoon. It has been indicated twice that these amendments were all tabled on February 10. Members with an interest in Bill C-49 could therefore have gotten a copy as I did myself. I even copied into the bill the amendments to the clauses. While not an expert in fiscal law, far from that, I believe it is easily understood for example that on page 62, "66.2 (5)b) (vi)" was an error. "(4)" should read "(6)".

[*English*]

Mr. Paproski: Mr. Chairman, the hon. member is trying to filibuster.

An hon. Member: You don't know what you are talking about.

● (1550)

Mr. Paproski: Mr. Chairman, we do not need a political speech in the House at this time. That is a filibuster. We want to get ahead with this debate.

The Chairman: Shall clause 35, with the amendment thereto, stand?

Some hon. Members: Agreed.

Mr. Nystrom: Just one short question before we do that, Mr. Chairman. I wonder if the parliamentary secretary or the minister could tell us whether there is anything of substance in the clause which we should be contemplating, or are they in his opinion strictly technical amendments?

An hon. Member: He doesn't know.

Mr. Nystrom: If he does not know, it does not matter. He can tell us if he does not know.

[Mr. Bawden.]

Mr. Mackasey: When I do not know, I seek advice. When I do not know, I will ask the deputy minister.

Mr. Cullen: Mr. Chairman, in response to the hon. member I would say that the clause has substance but the amendments are all strictly technical, correcting varying language versions, and that sort of thing. We have asked that the clause be stood so the hon. member may look at it.

Clause 35 stood.

On clause 36.

Mr. Cullen: We have an amendment, Mr. Chairman.

Mr. Mackasey: Mr. Chairman, the parliamentary secretary has pointed out that there are some minor amendments to clause 36. In clause 36 of the bill the amendments are to pages 68, 73, 74, 75, 76, 78, 80 and 81. I therefore move:

That clause 36 of Bill C-49 be amended as follows:

(a) by striking out line 6 on page 68 and substituting the following:
"112 and 113".

(b) by striking out line 26 on page 73 and substituting the following:
"expense of that other taxpayer or was, by virtue of subpara"

(c) by striking out line 46 on page 73 and substituting the following:
"est, paid by him after May 6, 1974, and before that time"

(d) by striking out line 16 on page 74 and substituting the following:
"paid to him after May 6, 1974, and before that time"

(e) by striking out line 3 of the French version on page 75 and substituting the following:
"59 (3.2)c), la fraction, s'il en est,"

(f) by striking out lines 12 and 13 of the French version on page 76 and substituting the following:
"cumulatifs engagés au Canada, ou"

(g) by striking out lines 25 to 39 on page 78 and substituting the following:
"in Canada for the disposal of waste liquids from an oil or gas well,
(B) drilling an oil or gas well in Canada, building a temporary access road to the well or preparing a site in respect of the well, to the extent that the expense is not a Canadian exploration expense,
(C) drilling or converting a well in Canada for the injection of water or gas to assist in the recovery of petroleum or natural gas from another well, or
(D) drilling for water or gas in Canada for"

(h) by striking out line 19 on page 80 and substituting the following:
"expense of that other taxpayer or was, by virtue of subpara-"

(i) by striking out line 22 on page 80 and substituting the following:
"taxpayer; and"

(j) by striking out line 38 on page 80 and substituting the following:
"paragraph (v) or (vi) that is estab-"

(k) by striking out line 21 on page 81 and substituting the following:
"paid to him after May 6, 1974, and before that time"

(l) by striking out line 32 on page 81 and substituting the following:
"al Grants Program"

(m) by striking out line 39 on page 81 and substituting the following:
"expense incurred by him."

Mr. Chairman, if we can dispense with reading it in French, I promise to read the next one in French and save reading it in English. I am told that the French version is precisely the same.

Mr. Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Bawden: On a point of order, Mr. Chairman, I would like to ask the minister if he would explain in some detail what he has been reading to us.

Mr. Cullen: In answer to the hon. member for Calgary South, I might say that this amendment was tabled on February 10 and passes on Canadian exploration and Canadian development expenses. Amendment (a) is a technical amendment at line 6 on page 68, deleting the reference to subsection 66.2 which was previously included in error. It is simply deleting that particular subsection. Amendment (b), the addition on line 26 at page 73 of the words "of that other taxpayer", is merely for clarification purposes.

Amendment (c), the words "and before that time" have been added at line 46 on page 73 since the calculation of the cumulative Canadian exploration expense is done at a specific point in time, and therefore any amounts paid by the taxpayer have to be determined before that specific time. Amendment (d), the words "and before that time" have been added at line 16 on page 74 since the calculation of the cumulative Canadian exploration expense is done at a specific point in time, and therefore any amounts received by the taxpayer have to be determined before that specific time. Amendment (e), the amendment at line 3 on page 75 corrects the French translation to correspond with the English version.

Amendment (f) at lines 12 and 13 on page 76 corrects the French translation to correspond with the English version. Amendment (g) is a technical amendment at lines 25 to 39 on page 78 specifying that the deductible expenses have to be incurred in Canada. Amendment (h) is a technical amendment at line 19 on page 80 which adds, for clarification purposes, the words "of that other taxpayer". Amendment (i) at line 22 on page 80 corrects a previous error. The word "and" was previously omitted by mistake. Amendment (j) at line 38 on page 80 merely corrects incorrect references.

Amendment (k) is a technical amendment at line 21 on page 81 to clarify that the amounts concerned must be paid after May 6, 1974, and before the particular time: it is necessary to add the words "before that time" since the calculation of the cumulative Canadian development expense is made at a specific point in time. In regard to (l), this amendment at line 32 on page 81 corrects a previous error. The word "development" has now been deleted as was previously intended. In regard to (m), the amendment at line 39 on page 81 corrects a previous error. The words "incurred by him" were previously omitted by mistake.

● (1600)

Mr. Bawden: Mr. Chairman, I wonder if the parliamentary secretary, when he is reading from his voluminous notes, would consider reading the page number first. He reads so quickly that by the time he gets to the page number, having quoted the paragraph, subsection and subsection of subsection, it is almost impossible for us to get the page open before he is on to the next amendment. It would be helpful if he would start with the page number.

I should like to ask whether the amendments the parliamentary secretary is reading off so quickly and ably from his notes include recommendations which came to the minister late last week from the Canadian Petroleum Association and the Independent Petroleum Association relating to these special areas of oil and gas exploration?

Mr. Cullen: Mr. Chairman, I think it is traditional in this House not to say that such and such a group came before us and as a result an amendment was made. Individuals who have made representations will know from the legislation whether their recommendations were carried out.

Mr. Gilbert: Perhaps the hon. member can tell you.

Mr. Bawden: I should like to ask the parliamentary secretary whether the amendments he is giving us today were drafted subsequent to a detailed study of the suggestions from those two associations, by the sizeable staff of the Department of Finance.

Mr. Cullen: As I have indicated, Mr. Chairman, the amendments were tabled on February 10.

Mr. Bawden: Mr. Chairman, I am specifically interested in knowing whether any of the amendments that are today being proposed were drafted after consideration of the recommendations that came from the Canadian Petroleum Association last week.

Mr. Cullen: Mr. Chairman, I tried to answer the first time the hon. member raised the question. First of all, the amendments were tabled on February 10 and, second, I think it would be inappropriate to make that kind of comment.

Mr. Stevens: Mr. Chairman, with respect to the amendments that the parliamentary secretary is proposing to clause 36, he has repeatedly stated that the amendments were in our hands on February 10. I think it would be fair if the parliamentary secretary went further and indicated why they were not in our hands before February 10, bearing in mind the fact that the clause was substantially contemplated when the May 6, 1974 budget was brought down. I think we should have an explanation of why such extensive amendments were not forthcoming much earlier.

In particular, I should like the parliamentary secretary to explain what prompted the amendment. Was it simply faulty draftsmanship on the part of the department, or were the amendments agreed upon after overtures were made by the private sector concerning those parts of the resolutions which gave them problems?

Mr. Cullen: Mr. Chairman, as I have indicated, some of the amendments are corrections. In some cases, where a word or date was previously included it now has been taken out. In other cases, it was a question of having the French version correspond with the English version, and vice versa. Some amendments were in response to recommendations made to the department. We received some excellent representations and some of them have been carried forward in amendments.

Mr. Stevens: Mr. Chairman, the parliamentary secretary did not answer my basic question. Why did it take from May 6, 1974, to February 10, 1975, to discover that these amendments were needed?

Mr. Cullen: Mr. Chairman, I think it is appropriate to remind the hon. member that in May we had a ways and means motion and not the bill. The bill did not come forward until December, and then there had to be reaction to it from industry and private enterprise. Bearing in mind the size of the bill, I think many of the amendments and changes that were tabled on February 10 are not significant as far as policy is concerned; they are simply correcting amendments.

Mr. Stevens: Mr. Chairman, that is the answer I was looking for. There were mistakes that became apparent on December 20 when the bill was finally put into form, and they are now simply trying to catch those mistakes which the department or outside consultants or advisers indicated would cause problems. This being such a big section, possibly one of the most important sections in these amendments, I wonder if the parliamentary secretary could indicate to what extent it reflects the current definitions concerning expenditures that are commonly used in the United States for this type of activity.

Mr. Cullen: Mr. Chairman, rather than copying the Americans, we have endeavoured to use Canadian nomenclature.

Mr. Stevens: Is the parliamentary secretary denying, Mr. Chairman, that the wording he has used is almost identical to that used to describe mineral exploration expenses under the United States code, sections 616 and 617?

Mr. Cullen: Mr. Chairman, we look at the legislation adopted south of the border, we look at the current Canadian practice, we list the representations made to the department, and out of all that available information we endeavour to draft legislation appropriate for the Canadian tax program.

Mr. Stevens: Mr. Chairman, the parliamentary secretary is almost as evasive as his minister. My simple question was, is it not true that the wording being used concerning exploration expenses is almost identical to that in the United States code, sections 616 and 617?

Mr. Cullen: I have answered that question once, Mr. Chairman. I am sure the hon. member has the definition beside him. We try to adapt, adopt and improve: this might be a good way to answer the hon. member's question.

Mr. Bawden: Mr. Chairman, I was very interested in the parliamentary secretary's remarks on this question. It is rather interesting that the Postmaster General is now here, helping the parliamentary secretary to read many of these complex amendments. I would suggest to him that if something were mailed from Ottawa on February 10 to western Canada, there would not be time to consider it and mail it back in time for it to be discussed in the House eight days later. Maybe we should have some comment on that. Eight days is not enough time for return mail, much less for deliberation.

Mr. Mackasey: Mr. Chairman, the reason the parliamentary secretary is answering the questions rather than the Postmaster General is that he is much more knowledgeable in this particular field than I will ever be. He is one of the better members of the House.

Some hon. Members: Hear, hear!

Mr. Mackasey: We are not talking about postal legislation now; but I have brought in labour legislation and accepted amendments right up to the final moment, from the Canadian Labour Congress. As long as an amendment improved a bill and was in line with the philosophy of the bill, I accepted it. Representatives of the petroleum industry were present when the bill was tabled and had a copy of it 2½ minutes after, when it was made available to the public. I imagine that members of the petroleum industry have had, since February 10, ample opportunity to meet the Minister of Finance and other ministers, including the Postmaster General. These various ministers may or may not, depending on one's viewpoint, have contributed positively to the final version of the bill. Without being hypocritical, let me say that I do not think anyone in this country has not been given the opportunity to make his views known. The fundamental point is that after hearing what these people had to say, we brought forward a bill reflecting as nearly as possible their constructive viewpoints. That was the whole intent of the exercise.

● (1610)

Let me refer to what has been happening today. We have been correcting translations. Nobody can render a translation from English to French so perfectly that it does not need revising or clarifying. Some printing errors have been discovered, even though the bill has been proofread umpteen times. But that is not unusual, as anyone who knows the printing industry will testify. Between February 10 and the present the bill has been improved and modified on the basis of recommendations of the Department of Justice and possibly of legal officers of the Department of Finance as well as others. Possibly some last minute amendments have further improved the bill.

If the hon. gentleman is objecting to this procedure, he is objecting to a parliamentary process which has existed for 50 years and will continue for another 50 years. He should not be under the impression that any vested interests forced the government to water down the bill, because the government is above that.

Mr. Cullen: Mr. Chairman, speaking to the matter of amendments, as I am not a member of the treasury benches I do not have authority to move amendments to this income tax bill.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Chairman, it appears we have difficulty in this part of the House in drawing your attention, or the Speaker's for that matter, when he is in the Chair, as indeed happened during the question period.

The member for Central Nova (Mr. MacKay) pointed out that when the parliamentary secretary gives explanations on amendments, he speaks too fast. A clear indication is that the people doing the interpretation—which they do with a high degree of expertise—of the parliamen-

tary secretary's terms are experiencing a good deal of difficulty, so we unfortunately missed in the French interpretation a major part of explanations on the tabling of amendments. The parliamentary secretary might wish to take note of it. When he explains the amendments he will move, maybe he could do so somewhat more slowly, in order that French-speaking members may enjoy full interpretation.

[*English*]

Mr. Symes: Mr. Chairman, we are considering an important clause which allows oil companies in Canada to write off 100 per cent of their exploration costs. In an earlier budget the Minister of Finance wanted to reduce write-offs from 100 per cent to 30 per cent. Now that the government has a majority, the write-off provision has been increased once more to 100 per cent. I find it hard to follow the reasoning which allows a 100 per cent write-off to oil companies, in view of the recently increased price of crude oil and the subsequently increased profits of the subsidiaries of multinational oil companies operating in this country.

Mr. Bawden: The hon. member cannot be referring to companies in Saskatchewan.

Mr. Symes: At one time the oil companies, which can hardly plead poverty, were content to explore in western Canada when oil sold for $2.80 per barrel. They explored before the world price rose to $6.50 per barrel. The price of crude oil in this country has more than doubled, and later this spring will rise from $6.50 to $8.50 per barrel. Oil company profits will, likewise, soar to unprecedented levels.

The concession given to oil companies therefore seems discriminatory, especially when one considers profit levels of manufacturing industries in this country which are labour-intensive. In 1974, manufacturing profits, on average, increased 38 per cent. During the same period, oil refining profits rose 68 per cent and profits for western oils rose 109 per cent. Imperial Oil and Gulf made after tax profits of hundreds of millions of dollars. I think the time has come for the government to cease giving concessions and to collect taxes on these high profits. This clause is a retrograde step as it will allow rich subsidiaries of oil companies a 100 per cent reduction. From my reading of the bill, it would be possible for Imperial Oil, for example, to apply the provisions of this clause to the Syncrude project. For example, if Imperial Oil invests $300 million in Syncrude, it can, under the tax regime which will be introduced, apply that amount against the profits of its other operations. Oil companies will make unprecedentedly high profits. The government has not recognized this and has increased write-off allowances to 100 per cent from 30 per cent. What is the reasoning behind this move?

The minister has argued that oil companies need incentives because the amount of exploration has declined. We are not fooled by that argument. The Minister of Energy, Mines and Resources has argued that Syncrude can be our salvation. The companies need not explore for the Syncrude oil as they know where the tar sands are. If the companies are blackmailing the government by saying they will not explore unless they are given a 100 per cent write-off of exploration costs, I suggest that the government itself should enter the exploration business through PetroCan. Let it award contracts for exploration and find oil for Canadians. I oppose the government's backing down and allowing the oil companies a 100 per cent write-off, and urge the committee to vote against this provision.

Mr. Bawden: Mr. Chairman, as the parliamentary secretary has the benefit of the advice of the deputy minister, I would like to ask him a question with respect to subclause (3) of clause 36. The subclause would permit Canadian taxpayers to deduct 30 per cent of their cumulative Canadian exploration expenses from taxable income. Would the parliamentary secretary explain how the 30 per cent figure was arrived at?

● (1620)

I would also like to know whether Canadian taxpayers can deduct land acquisition costs and whether any other incentives have been provided for Canadian taxpayers who are not principally in the petroleum business. Is there some incentive to take the step of becoming engaged in petroleum exploration? Some step has been taken in this clause. What other initiatives are there in this bill?

Mr. Cullen: Mr. Chairman, I will answer the questions in reverse order. We feel the package provides the over-all incentive. There is nothing magic about the 30 per cent figure: it has been the traditional figure.

Mr. Bawden: Why not 40 per cent?

Mr. Cullen: Ask the fellow who invented baseball why four balls and not three. It has been the traditional rate; there is probably no more explanation for it than that.

Mr. Bawden: Mr. Chairman, the parliamentary secretary really did not answer my question. I think it is a very important aspect of legislation in this country. Since the petroleum industry came into being, Canadian investors, by reason of the punitive tax laws in Canada, have been excluded from investing in that industry on an equal basis with foreign investors in the United States. This government has continually gone about this in a negative way, trying to artificially exclude investment and change these patterns. There is no question about it, this is the most important factor in bringing foreign ownership of Canadian oil reserves to its very high level at the present time. There is nothing in this budget to significantly turn this around.

I will rephrase my question to the parliamentary secretary. He said 30 per cent is traditional. The first time I saw the 30 per cent figure was in the May 6 budget. I suppose if something has been around for the better part of a year, to this government it has become traditional or long-term policy. I would like to know if the parliamentary secretary considers 30 per cent to be traditional.

Looking at the complexity and the vast number of clauses and changes in the bill, it is only fair that the parliamentary secretary should outline for members what other aspects of the bill can be considered to slant toward incentives for Canadians, if in fact it is the intention of the government to truly have Canadians invest in this industry; or do they want to continually put them at a

disadvantage while at the same time moving to exclude foreign capital in this area?

Mr. Cullen: Mr. Chairman, the hon. member is probably more familiar with the bill than I am with regard to this particular enterprise. I would think that after a careful reading of the bill, which he has obviously had, he would be prepared to concede there are clauses wherein there is that particular kind of incentive to the point where we are criticized on one side for doing too much and on the other side for not doing enough.

Mr. Bawden: Ignore them.

Mr. Cullen: The hon. member waves and says we should ignore the NDP. However, they speak for a fairly large number of people in Canada and represent a particular feeling in this country. We have to be pragmatic politicians and endeavour to find which will achieve consensus in the House.

Mr. Bawden: Mr. Chairman, I still cannot get an answer from the parliamentary secretary. He suggests that members should read the bill and draw their own conclusions. I say the parliamentary secretary has an obligation to outline this to the House or admit that he does not understand the bill and does not have these answers.

Mr. Nystrom: To further add to the confusion, I wish to direct a series of questions to the parliamentary secretary which I am sure his officials can answer. It is my understanding that the May 6 budget proposed lowering the amount which companies could write off for exploration from 100 per cent to 30 per cent. We have had the November 18 budget and there are now two categories. First, there is the category for the principal business corporation. My understanding is they can write off 100 per cent of their exploration costs. In the May budget, that was proposed to be 30 per cent. In the bill before us today, a corporation that is not a principal business corporation can write off 30 per cent of its exploration costs. Am I correct in that?

Mr. Cullen: Yes, Mr. Chairman, with one change. It has been said that we backed down. I would not say we backed down; we backed off.

Mr. Nystrom: The parliamentary secretary says they backed off. I wonder if that was as a result of having a majority government. In any event, by backing down, how much money will the Canadian treasury lose? How much money would this actually involve per year, going back the last few years and anticipating for the future, if they had written off only 30 per cent of their exploration costs rather than 100 per cent? How many million dollars are we dealing with? I realize this would be a guesstimate.

Mr. Cullen: Replying first to the hon. member for Calgary South, as I tried to indicate we have been chastised by the party to his left for the 30 per cent figure. The fact that we now allow 100 per cent exploration costs, and that the new tax abatement has had the effect of reducing the federal tax rate by 25 per cent, demonstrates initiatives that have been taken and which we hope will have a positive impact on this industry.

In reply to the hon. member for Yorkton-Melville, in the budget speech of November 18 the minister indicated, as recorded at page 1425 of *Hansard*:

> For the year 1974, I estimate that the changes I am proposing tonight will improve the position of the oil and gas companies by about $100 million and of mining companies by about $15 million as compared with my May proposals. This saving for the resource companies affected is a full 25 per cent improvement over the May position.

The hon. member may disagree with the word "improvement", but those are the figures given on budget night.

Mr. Nystrom: Those are the figures for one year. I take it that was based on the current rate of exploration. Exploration is now down. If exploration increases, that could skyrocket in the next few years. Hopefully, that is what the government envisages. What is meant by a "principal corporation"? Is Exxon a principal corporation in most of the undertakings they have? Which are the non-principal corporations? Does this by chance discriminate against small Canadian corporations? I suspect it does. This is a point the hon. member for Calgary South has made in the past. If this is so, why is there the double standard?

Mr. Cullen: Mr. Chairman, I am advised this is a question of tax status and "principal corporation" is a definition that is well known. It has been founded in history for this particular enterprise. We would not know the specific corporations; it is a question of interpretation. With regard to the hon. member's use of the expression "skyrocket", I must dissociate myself from that. We certainly hope exploration will take off, but whether it will take off like a skyrocket is something we really do not anticipate.

Mr. Symes: I rise on the same point, Mr. Chairman. It is important that the parliamentary secretary tell us what is meant by "principal corporation". We want to know just how much discrimination there is against Canadian companies. By principal corporations, does the parliamentary secretary mean Imperial, Gulf, and so on; subsidiaries of American companies? We have the fantastic situation of the Canadian government giving subsidiaries of multinationals tremendous tax breaks compared with Canadian companies in the field. I cannot for the life of me figure out the reasoning, considering the capital pool and the amount of money these major subsidiaries in the oil industry in Canada can draw from their parent companies. When we think of Exxon, the parent company of Imperial, making profits last year of over $3 billion, we must ask why the Canadian government is not insisting that Imperial draw from Exxon some of the funds necessary for exploration, rather than giving them the incentive of a 100 per cent write-off.

● (1630)

Figures for the decade of the sixties show the parent corporations gave to the oil industry in Canada only some 17 per cent of the capital needed by the subsidiaries to expand and explore and, in return, received in the form of dividends 18 per cent of the revenues raised in this country. So the parent companies are not financing the subsidiaries in Canada; in effect, the taxpayer is doing so. An analysis of the funds raised in the sixties shows that about 38 per cent of the capital raised by subsidiaries was

derived from tax concessions and write-offs of the kind we see in the bill before us. Are we giving these corporations advantages which they really do not need?

Mr. Cullen: There is probably a basic disagreement between us as to whether they are getting advantages they do not need. But the short answer to the hon. member's question is that principal corporations are companies whose principal business is resource development. Under section 66(15)(h), a principal business corporation is defined. I do not intend to read the whole of the paragraph, but a principal business corporation means a corporation whose principal business is the production, refining or marketing of petroleum products or natural gas, or exploring or drilling for petroleum or natural gas. There are six further subsections and I refer the hon. member to them. It does not simply say that "a company" is the principal corporation. It could be an all-Canadian corporation, for that matter.

Mr. Symes: Considering that 90 per cent of the oil industry in Canada is foreign-owned and that 99 per cent of the refining industry is foreign-owned, the parliamentary secretary is really saying that we are giving the bulk of the tax concessions to the foreign, multinational corporations operating in this country.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, the discussion of this item prompts me to put forward a thought or two leading up to a question. I believe the hon. member would accept my view that over the last 30 years a large number of Canadian oil companies have gone down the drain. One of the reasons has been referred to specifically by the hon. member for Calgary South who sits behind me. It is that these write-offs, though well-intentioned on the part of the government, are in fact one of the major reasons Canadians have lost control of their own resources. The great bulk of the small companies have never been able to get into a position where they were sufficiently in the black to take advantage of these write-offs designed to encourage exploration.

As I go over the history of events in the industry since the war, I see that well-intentioned parliaments thought they were helping the oil industry by making provision for write-offs. The intention is fine, but in practice the majority of the oil companies have not been able to survive because they never got themselves into a position where they could take advantage of these write-offs. The wildcatter trying to find oil knows that the chances against him vary between 8 to 1 and 20 to 1. I have seen many groups of Canadians pool their limited capital and enter this risky business of trying to find oil, encouraged by the thought that if they succeeded they would be able to write off the expenditures incurred. But they never found themselves in a position to take advantage of this particular concession.

I should like to ask the parliamentary secretary this question: Have there been any representations from the smaller, independent oil producers and gas producers asking that the government allow them to pass these losses through to the shareholders since the company itself cannot take advantage of the write-off provision? Under this arrangement the revenue department would simply allow a proportionate amount of the loss to be passed through to the shareholders in order that individual shareholders might get the advantage of what the government is trying to do. If this concept had been in effect in the past, some of these companies might have been saved. Some of them might, indeed, have become big companies able to compete with the internationals. Thus, the question I have raised is an important one and again I ask whether there have been any representations from independent oil or gas producers for this type of concession.

Mr. Cullen: I am advised that the representation or suggestion just made by the hon. member has not been addressed to the department. Most of the individuals who have made representations have set themselves up as syndicates to take advantage of existing provisions, instead of asking that losses be written off against shareholders' profits.

Mr. Hamilton (Qu'Appelle-Moose Mountain): If a syndicate were formed and took a loss, could that loss be written off against other income if it were not derived from the principal business? Is that what the parliamentary secretary is suggesting?

Mr. Cullen: I am advised that within limits this is precisely what is taking place, because the other opportunity, the one proposed by the hon. member, is not available to the shareholders.

Mr. Nystrom: I just want to make a few comments on this clause before it is voted on. In my opinion, you have a couple of choices when it comes to dealing with oil companies with regard to exploration and any other kind of tax write-off. The reality of the situation is that you are dealing with an industry which is basically foreign-owned, and whether or not it is contributing to Canadian corporations is really immaterial. If it is 90 per cent foreign-owned, then basically it will benefit foreign-owned corporations and there is no guarantee that Exxon or any other foreign company will reinvest those extra profits or extra capital in Canada. Quite often the funds raised in this country are invested in other countries.

When we are dealing with huge corporations such as these in the free market economy or the free enterprise economy, I think we have one of two choices. The member from Calgary South and members in his party have opted for one choice and our party has opted for the other. One choice is to keep it in the traditional free enterprise world and allow the corporations to develop the enterprise, to develop the oil. In order to do that you have to make all kinds of tax concessions, and the federal government recently—

An hon. Member: What about Saskatchewan?

Mr. Nystrom: I am getting to Saskatchewan right now. The government recently increased taxes on some of the extractive industries. Alberta, Saskatchewan and British Columbia have done the same with regard to royalties. As a result, there has been a fall off in exploration and development. The reason is the immense incentives in the United States in the form of low taxes and low royalties. The rigs are being pulled out of western Canada and are going down to the United States to explore and develop.

That is a natural phenomenon in the free enterprise system. Anyone in that system will go where they can make profit with the greatest ease and where they can have the greatest number of shares with the highest dividends for their shareholders.

● (1640)

If you play that game, which is what the federal government is doing, you have to offer incentives to match what the Americans are doing—write-offs to the tune of 100 per cent for exploration—in the hope of attracting capital. I do not think that will happen. The incentives we offer in this country and the type of oil we are going after will still make it more attractive than what they are doing in the United States. If you are going to offer incentives, you will have to reduce taxes on oil to such a low level that there will be a massive sell-out. So my party has been suggesting that we take another route. Why cannot gas and oil be publicly owned, as is electricity in most parts of Canada today? That is the situation in almost every country in the world. For example, in Britain all future energy developments are at least 51 per cent publicly owned. In France, Japan, most of the OPEC countries and many of the small developing nations, energy is publicly owned.

The same should be done in Canada. This cannot be done exclusively in one small province in the country because you will have one province being played off against the other. If you take oil as an example, Saskatchewan owns 10 per cent and Alberta 85 per cent. If Alberta develops oil under the traditional corporate system where all kinds of write-offs and incentives are offered, while Saskatchewan imposes heavy taxes on this resource, naturally it will be difficult to develop oil through the free enterprise market. That is why, if you impose heavy taxes on the oil industry, you must establish a national petroleum corporation which would have the co-operation of all the provinces. You cannot play just half the game. One cannot be just half pregnant, as someone said. You have to go one way or the other.

That is why I object to this clause. I do not want to see further write-offs being granted to oil companies. I know why it is being done. The government is trying to hand out a larger number of candies to them than is the United States. The time has come to develop this industry under public control, including exploration, development and refining. This is a non-renewable resource and it should be treated as a public utility. It is for that reason I object to this clause and other clauses which give greater incentives to the oil industry.

Mr. Bawden: Mr. Chairman, I will take only a moment; however, I cannot help but say a few words in case the minister and the parliamentary secretary were listening to the last speaker. I think it is a very simple thing: either incentives will be provided in Canada and this country will have at least a shot at being self-sufficient or, if we continue to follow the rules that the government is proposing in the budget, we will find that our country will fall far short of self-sufficiency. That is what this debate is all about.

Many of the important clauses in this bill which affect the natural resource industries can be dealt with in a number of ways. There are all kinds of questions that can be put. It is simply a question, when the final figures are totalled, as to the kind of return an exploring company can get in Canada as against the kind of return they can get somewhere else. I think the key question, as suggested by the hon. member to my left, is that of public ownership, and I would like to put forward the following facts. Today, Canada is facing strikes in many critical areas where a few people, such as air controllers and others, can virtually shut down this whole country. I suggest to the members on my left and to the parliamentary secretary opposite that we could envisage one of the most serious situations that could be imagined in our country, with our cold climate, were we to concentrate all of the ownership in Crown corporations or public utilities so that by the simple turning of a valve by striking employees the country could be put up to ransom in such a way that it could not even operate for 12 hours.

In these situations, a strike within any number of independent or even large companies has its limits. The fact is that these employees know that in bargaining there is a limit to which a company can go and maintain its viability, and these limits are certainly recognized by labour and by management as well. Strikes against the government and strikes against public utilities, when unlimited funds can be provided simply by running the printing presses, provide an opportunity for a small segment of the population to hold the country up to ransom.

Mr. Symes: Mr. Chairman, I cannot let the comments of the owner of an oil drilling concern go unanswered. He has made a very interesting case for destroying labour organizations and unions in Canada by bringing out the red herring of a possible strike among the employees of a Crown corporation whereby they could hold the country up to ransom. A wildcat strike among any of the employees of any company that exists today, including Imperial, Gulf or any other, could do the same thing. But the hon. member ignores the major factor of who is blackmailing whom in this country, who is holding whom up to ransom. Of course, the most recent example is the Syncrude operation where a group of multinational oil companies beat this government into the ground.

A couple of Mondays ago at a meeting in Winnipeg some oil companies manoeuvred Canada into a position of facing shortages and misled the government in their reports to the National Energy Board by telling Canadians that we had enough oil for 200 years, that we had nothing to worry about and that we could export millions of barrels of oil a year. But suddenly this government woke up to find that we do not have all this oil. As a result, the multinational oil companies have this government and the Canadian people on their knees, and they say, "You will do things on our terms before we will go looking for more oil".

Syncrude is the best possible example of this. A couple of Mondays ago the Minister of Energy, Mines and Resources said he would go to Winnipeg to convince the partners of Syncrude to postpone their decision to pull out by January 31. That is all he was going to do. Suddenly we found that the Canadian government had committed $300 million to that project. The cost has continued to escalate. There were four reports prepared by the government of Alberta. The federal government received one of them on

Saturday afternoon, another on Sunday evening and the third on Monday morning. On that same fateful Monday a decision was reached committing millions of dollars to a project that is still in the hands of the multinational corporations which sold out Canada in the past and will continue to do so in the future.

It is time we ended this farce of multinational companies looking after Canadian interests. They look after their own interests. Let us not be fooled by them. It is time we looked after the development of Canada's oil supplies ourselves. Only in that way can we guarantee production and exploration in the interests of Canadians and at prices that suit the Canadian economy.

Mr. Bawden: Like Saskatchewan, where nothing is happening.

Mr. Nystrom: Mr. Chairman, I have another comment or two to make in response to the hon. member for Calgary South. He said that our concern in this country should be self-sufficiency. I think that is a very important argument. People are interested in what will happen with regard to gas and oil. When you go around this country you find that this is the main concern.

I agree we should be self-sufficient in this country. There are two ways of doing it. One is through the private enterprise method, which we have done in the past through multinational corporations—that is the hon. member's way, the corporate enterprise way; that type of system is being subsidized massively by the government and has been for years and years—and the other is through public ownership. In the first case, most of the profits that the multinational corporations make are reinvested in various countries. This clause will give them another $100 million this year, more money next year and still more in the years to come. What we are saying in our party is that we should develop public ownership as other countries have done. You can hire the same technicians, the same scientists, the same economists, but the enterprise is owned by Canadians.

● (1650)

I was very happy to note that the hon. member for Calgary South did not try to refute any of the arguments about public ownership except to suggest that the labour unions would be more difficult to handle through public ownership than private ownership. I do not think that argument holds water. I think you will have the same relationship with labour whether it be a Crown corporation or a private corporation that is involved. The federal government should set the example in dealing with labour. I do not think that argument is relevant to the basic question of whether you should have public development. This is an important issue when we have a clause like this and when we are giving hundred of millions of dollars to foreign-owned oil companies. I do not think the taxpayers want us to do that.

Mr. Orlikow: Mr. Chairman, I am constantly amazed by the tremendous inferiority complex of members of parliament, particularly those who belong to the official opposition. If you look at the international oil companies you will see that in virtually every country which has large pools of oil, including the OPEC countries, the governments have taken over 75 per cent, 90 per cent or 100 per cent ownership of that oil. I could list all these countries, but whether it is Venezuela in South America, or Iran—

Mr. Andre: How many of them are democracies?

Mr. Orlikow: The question of whether they are democracies is completely irrelevant to the question of who owns the oil resources in those countries. Whether it is Venezuela, Iran, Iraq or Saudi Arabia, the oil has been discovered by the multinational corporations. These corporations have drilled the wells, built the refineries and the gathering lines and have paid a very small price to these countries for their oil. Speaking from memory, it seems to me that the Shah of Iran said some time ago that all they were getting was 12 cents a barrel for the oil being pumped out of that country.

Most of these countries are still in the feudal age, with very few highly skilled or qualified technicians, but all of them who supposedly could not carry out the development themselves have taken over the oil. They have made an arrangement to have this oil purchased by the multinationalists. The multinationalists are dealing with these countries and shipping the oil to western Europe, to North America and to Japan. They are still living in these countries. They have not pulled out their technicians or their expertise, because they need the oil.

These multinational companies have, through negotiation, arrived at a price with which they can live. They have said to these countries that if they compensate them they will continue to do business, and that is what they are doing. When it comes to Canada, a country which has a great number of highly educated people, with engineering schools from which we have turned out thousands of engineers in the last 25 years, we are suddenly told we cannot do what the OPEC countries have done. I have a great deal more confidence in the know-how and ability of Canadians than, obviously, members of the official opposition. When the OPEC countries can take over the oil resources and operate them or make a deal with the multinationals to supply the expertise in return for oil at a price with which they can live, I do not believe that we cannot do the same; I do not accept that for a moment.

If we accept that suggestion, we are in effect saying that everything we have done since the end of World War II to upgrade the knowledge and skills of the Canadian people has been in vain. We have spent hundreds of millions of dollars in increasing the number and size of our universities, technical and community colleges and every year we are turning out thousands of well trained people, yet members of the opposition drag out this red herring, saying that we do not have the know-how to develop our own resources.

The hon. member for Calgary South wants to know about capital. These multinational corporations are not supplying the capital. The capital to develop the oil resources in this country resulted from the tax concessions and unconscionable write-offs which the people of Canada gave the oil companies through their governments, Conservative and Liberal. I am not blaming the oil companies for trying to get the best deal thay can. When they see that the country has a government composed of a bunch of suckers, they take every advantage they can. I suggest we

have the resources and we have the capital to do the job ourselves; we have the know-how. But if we were short of know-how, we should make a deal with the oil companies, with which they can live, to develop our resources just as the OPEC countries have done.

I noticed this morning that Guinea, a country in Africa which has virtually no trained people, is increasing its tax on bauxite in one shot by $40 million a year. We will not see Alcan, Reynolds, Kaiser or any of the other corporations producing aluminum moving out of Guinea, because they need bauxite and they will pay the higher price. The same thing is happening in Jamaica: They know that the resources are needed and they can get a better price for their people.

An hon. Member: You should think about democracy when you suggest that.

Mr. Orlikow: This has nothing to do with democracy. In the waters off Norway there are tremendous oil resources and that country is controlling the way in which that oil will be developed and how much ownership it will keep. Great Britain has oil resources in the North Sea and has stated that 51 per cent ownership of the oil will rest with Great Britain. This has nothing to do with democracy. I want to say one more thing with reference to this red herring which the hon. member for Calgary South drew across the trail. He suggested there were no strikes in private industry, but there would be unlimited strikes in that sector. That is so ridiculous I cannot imagine anybody who knows anything about our society making such a statement. The fact is that there have been massive strikes in all major, privately-owned industries in this democratic society.

Mr. Paproski: Mr. Chairman, before calling it five o'clock perhaps we could carry clause 36 in order to show some progress on this bill.

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Some hon. Members: No.

The Deputy Chairman: Order, please. It being five o'clock, it is my duty to rise, report progress and request leave to sit again later this day.

Progress reported.

● (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Victoria (Mr. McKinnon)—National Defence—Inquiry whether Canada negotiating with Brazil in purchase of armoured cars; the hon. member for York-Sunbury (Mr. Howie)—National Defence—Disbanding of military bands—Request Government review decision.

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

Mr. Baker (Grenville-Carleton): On a point of order, Madam Speaker, I understand that the items which precede No. 23 on today's order paper will not lose their place in the scheme of things as a result of calling No. 23.

The Acting Speaker (Mrs. Morin): Is it agreed that those bills be allowed to stand?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

CRIMINAL CODE

AMENDMENTS MAKING INSULT TO CANADIAN AND FOREIGN FLAGS AN OFFENCE

Mr. Leonard Hopkins (Renfrew North-Nipissing East) moved that Bill C-223, to amend the Criminal Code (domestic and foreign flags), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Madam Speaker, during the course of the twenty-eighth parliament I had two private members' bills on the order paper of the House of Commons. Bill C-197 was a bill to amend the Criminal Code, and the purpose of that bill was to make it an offence to insult, in any way, a Canadian or provincial flag.

The second, Bill C-198, was a bill to amend the Criminal Code with regard to foreign flags, and the purpose of that bill was to make it an offence to insult, in any way, the flag of a foreign country lawfully represented in Canada.

Neither of those bills came to second reading prior to the end of that particular session of the twenty-eighth parliament.

The bill before us today, Bill C-223, encompasses in its present form all three of the points in the previous two bills. When proposing legislation of this nature it is important to make certain that the law being proposed is practical and can be enforced in the courts. If this is not the case, passing such a law would merely be window dressing instead of something realistic, practical and meaningful on the statute books of Canada. With regard to this latter point I would like to express my appreciation to hon. members in all parties with whom I have had consultations with reference to this bill. I wish to make it quite plain that they have been most co-operative and understanding.

I have also had several discussions with legal authorities who are concerned about the implementation and

protocol of a law of this nature. Because of these latter discussions, and other research I have undertaken on the subject, I have this afternoon decided to make a major change in this bill by making it less complicated and, it is to be hoped, more practical. It is my personal wish to request the unanimous consent of the House to withdraw three words from proposed section 49.1. Those words are "or Provincial flags."

In addition I wish to withdraw proposed section 49.2 in its entirety. This would make the bill deal with Canadian flag legislation only, and it would then read as follows:

1. The *Criminal Code* is amended by adding immediately after section 49 thereof the following:

"49.1 Every one who destroys, disfigures, mutilates, defaces, defiles, desecrates or casts contempt upon the Canadian flag is guilty of an offence punishable on summary conviction."

My reason for wishing to withdraw these two items is that I hope their withdrawal will ensure easier passage for the remaining part of the bill, plus the fact that we would be dealing with the ramifications of enforcing one particular piece of legislation instead of three at the same time.

For example, if the House were to approve the bill this afternoon in its present form, the Standing Committee on Justice and Legal Affairs could be faced with representatives from provincial governments across Canada who might wish to comment on the bill. The committee could also be faced with many representations from groups across the country in regard to the foreign flag section of the bill. Then, of course, there may well be people wishing to comment on the Canadian flag section of the bill. After considering all the ramifications of the present form of this proposed legislation, I have come to the conclusion that both the provincial and foreign aspects should be removed from the bill.

I am advised by legal experts that it is normal procedure for the provinces to recommend to the federal government the changes they wish in the Criminal Code as it applies directly to them. Therefore, if I were to retain the part about provincial flags I might end up stepping on the toes of some provincial legislatures. That is certainly not my intention.

Similarly the foreign flag section presents a problem in that many foreign flags of countries legally represented in Canada are on the various embassy properties which are excluded from Canadian jurisdiction. If such a foreign flag is insulted in any way, the Department of External Affairs extends an apology on behalf of the Government of Canada and ensures that the matter is brought to police attention for action under the appropriate law. Many people have expressed views to me, and I am sure that other hon. members have had the same views expressed to them, that they are quite often disgusted when they see a flag being torn down, burned, or insulted in any way—and I mean with intent to insult.

I do not consider it an insult to or desecration of the Canadian flag if people wish to wear a sweater of T-shirt with the Canadian flag on it, if they wish to wear a Canadian flag on the hip pocket of a pair of jeans, or if they wish to sew a Canadian flag on their knapsack when travelling. This is simply a way for people to express pride in their country and their very definite identification with Canada.

By bringing this bill forward today I wish to make quite clear to hon. members that if it becomes law I would not wish to have it used to charge someone where the intent is simply to express pride in Canada. If this bill passes I would want the resulting law to be used against those who wilfully damage a Canadian flag or insult it in any way, or where there is clear evidence that there was intent to do so.

Any time that I have seen a Canadian flag being desecrated or insulted, my first thought was that the person or persons involved had no pride in the nation. There is also the underlying feeling that citizenship in this country carries with it not only rights and privileges but also duties. I hope that this bill will help such individuals to realize that Canadian citizenship is something in which Canadians take a great deal of pride, and that citizenship carries with it certain duties and responsibilities, and not just rights and privileges.

Regardless of what human frailties we may have, as members of the House of Commons or indeed as members of the Canadian community as a whole we surely must agree that we live in a country with great potential. We live in a country with great institutions, and we live in a country that presents all kinds of challenges and frustrations. The latter we must tackle, and while doing so we must display a reasonable amount of patience and perseverence.

● (1710)

A flag is a very important symbol to any nation, and by insulting the flag you are indeed insulting a nation and its people. If we, as Canadians, are able to treat that important symbol with the dignity and decorum that true Canadian citizenship has a right to demand from us, then it will make us look that much bigger in the eyes of other nationals. By doing so we are not in any way merely paying lip service to or worshipping a piece of cloth, as some agnostics might wish to have us believe; instead it should be interpreted as an act of respect and loyalty to our nation and to the people who occupy this nation.

I suppose all of us in this House of Commons had many occasions over the years to visit the Cenotaph on Remembrance Day, November 11. There we see the ceremony carried out with decorum and respect by those who fought to retain our nationhood, while at the same time we pay our due respects to those who made the supreme sacrifice on the battlefield to preserve it.

We are also well aware that the Canadian Armed Forces wherever they are around the world consider any ceremony dealing with flags, and with the Canadian flag in particular, as something that must be carried out to the nth degree of perfection along the lines that protocol demands. They have been responsible to a very large degree for portraying the Canadian image around the world, and the Canadian flag has become clearly indentifiable in the international community.

I wish to thank this House for its patience and consideration during the course of my remarks and before I sit down I should like to ask unanimous consent of the House to remove the two parts of the bill that I have mentioned or, if not, I will give the House a commitment that if the

bill receives formal second reading today I will see to it that those amendments are moved at the committee stage.

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Leonard C. Jones (Moncton): Madam Speaker, I would certainly not agree that the items the hon. member has suggested be deleted. I think the manner in which his bill was framed was good, no matter what his constitutional experts or the Department of External Affairs may have told him.

There was an instance not too far from my own constituency in the summer of 1974, where an organization obtained moneys from the federal government and an incident took place when the Union Jack was desecrated and insulted. I think section 49.2 should remain, and I certainly would not consent to withdrawing it.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Madam Speaker, it gives me pleasure to say a few words on this bill, and to congratulate in particular the hon. member who introduced it. Indeed it seems that if one considers what the Canadian flag represents one realizes immediately how important it is for Parliament to pass official legislation to protect it and particularly explain clearly to the people of this country what the flag truly represents.

Those who sat here a few years back during the very difficult debate which then certainly divided Canadians for a while must understand that step must now be taken to avoid another division of Canadians on the flag issue, a flag which now, quite on the contrary, unites Canadians from coast to coast. It seems important to me that the bill be enacted because I had myself opportunities to wish that it were so.

I come from the heart of Montreal, a part of our country which is particularly noisy and which is represented at the provincial level by a member who advocates breaking up Canada and who certainly managed to gain a few supporters. I already received representations from certain people in my riding asking to be protected because they wanted to fly the Canadian flag but felt threatened. I think it is absolute nonsense that a citizen of Canada—such a free country—should even feel threatened when he wants to fly the flag of his country, the national emblem. That is why I think the bill introduced by the hon. member is excellent, and I will support it.

I would also like to make the following remark: It seems to me that respect for law and order in a society such as ours can only be enhanced if there were respect for its symbol, probably the most important, at least the most known, in that society—its flag.

That is why I congratulate the hon. member and I will support his bill.

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I thought the two parties of the opposition were going to speak on this bill. First of all, let me congratulate its mover. To my mind, deleting the words provincial flag and foreign flag is an excellent idea, because we would otherwise be intervening somewhat in someone else's responsibility; what we are concerned with now is the national flag.

As the preceeding speaker said a while ago, we have had enough discussions about the national flag. When we voted, I was a member of the joint committee on the flag. I still remember the terrible discussions we had for months. Some will doubtless say that this bill is not necessary. I feel that if we limited ourselves to the spirit of Canadian citizenship, we would, at first glance, be inclined to say: Offhand, we would say this bill is not needed because those who do not respect the national emblem have no love for their country. Whether they have reason is another story.

The national emblem is in my view somewhat in the nature of a family picture, for instance. Children have a love for family emblems because they were brought up to respect authority, to love their parents. Laws will never be needed to prevent them from tramping on their parents' picture. This is something inherent that cannot be imposed by statute. But since we have in Canada different tendencies, I believe a bill to that effect is really needed, unfortunately, to prevent unseemly acts across the country.

If someone has reason not to love his country and to make it known by tearing up or destroying the national emblem, we are entitled to ask ourselves why they tend to do so. It is certainly because they were not impressed by the behaviour of parliamentarians and the authorities in the country, or probably because they were disappointed by the administration of justice or witnessed shortcomings. These are questions that come to my mind when I think of the bill.

I suggested it should be a natural thing to respect one's national emblem, to the extent that all citizens love their country. Who is going to induce them to do so? People in authority. If citizens see only gangsterism in the government, in the Cabinet, and in every parliamentary organization, how can they love their country?

I believe primary responsibility rests with parliamentarians. We, as members of parliament, should learn to show dignity, and especially in the course of these debates, knowing we are here to represent the people of Canada and we alone can make citizens love their country. They will love it to the extent they feel free and happy to live here.

I am not ready to put immediately the blame on the groups who are going to rebel against the flag or any other emblem of this country. Instead, I wonder if this action was not provoked by people who should set a good example. This is why respect for the flag should not be forced by legislation, but should come from the pride that the citizens have of their country, from the confidence that they have in their administrations and from the security that they can enjoy in their country.

I support this bill somewhat reluctantly since I would have liked that this Parliament promulgate more humane laws so that all Canadian citizens could be happy to live in Canada. In this way, Madam Speaker, we would be sure never to have to legislate to insure respect for the Canadian emblem.

• (1720)

[*English*]

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, although the hon. member who introduced this bill did not obtain unanimous consent for his amending proposal, he gave a certain undertaking. I think the House agrees with the bill in principle, and perhaps we could give it second reading and refer it to the appropriate committee without delay or further debate. As unanimous consent was not given for the hon. member's proposal, perhaps the committee might deal with it.

This matter deals with questions of propriety, and some may think that the federal parliament is not displaying good manners if it deals with the matter, as some provinces may be offended. I say this because of certain opinions which have been expressed in the past by the Department of External Affairs. I remember one occasion when the Department of External Affairs gave an opinion about the propriety of flying the flag of the Ukraine in front of City Hall. That opinion was not an opinion in the legal sense so much as an expression of belief. The department suggested it would be improper to fly the flag, and great difficulty resulted. Eventually the city decided not to heed that dubious advice of the Department of External Affairs and flew the flag of the Ukraine on Ukrainian national day.

Perhaps we ought to commend the hon. member for Moncton (Mr. Jones) for withholding unanimous consent. The hon. member who introduced the bill gave an undertaking; consequently, as I think there is general agreement, the subject matter of the bill should be sent to committee.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, the hon. member for Roberval (Mr. Gauthier) was surprised because representatives of the official opposition and of my party had not taken part in this debate. The reason has now been given by the hon. member for Grenville-Carleton (Mr. Baker). We know that some genuine questions could be asked about this bill, but we think that the idea that we should make sure respect is shown for the emblem of this country is good, and we support it. Therefore, we think it would be a good idea to read the bill the second time and send it to the committee.

The hon. member who introduced the bill has indicated the changes he will make. He was not given consent for those changes to be made in the House, but this can be done in committee if the committee is so disposed. That was our reason for not participating in the debate, lest the bill get talked out. We are prepared to allow the bill to be read the second time and be sent to committee.

The Acting Speaker (Mrs. Morin): Is the House ready for the question? Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

An hon. Member: Six o'clock.

The Acting Speaker (Mrs. Morin): Before we call it six o'clock does the House agree to revert to committee of the whole for the consideration of Bill C-49?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

The House resumed consideration in committee of Bill C-49, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mrs. Morin in the chair.

An hon. Member: Six o'clock.

The Assistant Deputy Chairman: As the committee has agreed to call it six o'clock, I do now leave the chair until eight o'clock.

At 5.30 p.m. the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: When the committee rose at six o'clock, it was considering the amendment to clause 36.

Mr. Orlikow: Mr. Chairman, I wish to take a few moments to complete the argument I was advancing when the committee stopped discussing this matter. In particular I want to comment on the suggestions made by the hon. member for Calgary that not only will it be bad business for the people of Canada if the oil corporations are operated through public ownership, but there would be many strikes and this would really drive the industry to the wall.

There is no evidence, in this or any other country, that people who work for the government or crown corporations are more likely to strike than workers in private industry. There have not been many strikes in the oil industry. That industry has not been highly unionized. It has been an extremely efficient industry in terms of finding oil and selling it at a high price. There is no evidence that under public ownership the workers in the oil industry would be more likely to strike than at present.

An hon. Member: What about British Railways?

Mr. Orlikow: I would be very happy to discuss the sorry plight of Great Britain with the hon. member on a more appropriate occasion. If he wants to look really at Great Britain, he should look at how little Conservative governments, which have been in power for most of the last century, have done to force British industry to modernize its equipment and management techniques. Therefore I do not think we need to look at Great Britain to see what they have done. We are talking about Canada.

We do not believe it is necessary for the people of Canada to give the fantastic concessions which the minister proposes to give to the oil and gas industries. This clause proposes that the entire cost of exploration and drilling for oil can be written off by the companies. When you do that, you virtually take away all the risks from the companies which are engaged in the oil business. If you drill a hole, regardless of whether it is dry or not, you can write off the cost against your profits. If you find oil, you are permitted to charge a very substantial price per barrel. You can make a lot of money. You can use the accelerated depreciation, the fast write-offs and everything else. We do not accept that that is necessary.

I go back to what has been said many times by many people in this country. There is no need to develop all our resources just to give them away at bargain basement prices. Our resources will be needed much more in ten, 15 or 25 years from now. The value of our natural resources will be much higher at that time. We need not go out of our way, as the minister seems to be doing, to give the oil companies just about everything they want. That being the case, we cannot accept the basic proposal in this clause.

Mr. Hogan: Mr. Chairman, I want to say a few words on this clause. The debate before dinner seemed to have gotten off on an ideological strain. That means this clause is terribly important for what it says. It is symbolic in terms of the attitudes the Conservative party has in defence of what it calls private enterprise as against the socialist way of looking at this.

As with a lot of other things, we are using terminology in a different way. The Alberta members seem to be talking in terms of the defence of private enterprise which is relevant to a small sector of the economy owned by one or two family businesses or a few entrepreneurs, in the old sense of the word, that still exist in our economy and make a great contribution. However, in describing corporate capitalism they are using the same terminology. They are using a folklore of 19th century capitalism to describe corporate capitalism which has just as much planning as any socialist state, only the planning is done by the corporations in co-operation with any government that will co-operate with them.

For a very long period of time it has been the policy of the Liberal government and the Conservatives, when they were in power under the right hon. member for Prince Albert, to play ball with these large corporations. They not only give them an enticement to help get over a risk period, but take away any chance that there could be losses. When talking about Imperial Oil, Exxon and what have you, there is no profit and loss situation. The government gives them depreciation allowances.

These corporations are given 100 per cent write-offs as envisaged in this clause. There is no possible way these large corporations will suffer losses over a period of time, although it is true that with the way they keep their books, this may appear to be so for a given period of time. But they have a planned way of getting what they expect with regard to dividends and internal financing. It always works out because government plays the game that is envisaged in this clause.

[Mr. Orlikow.]

The Minister of Finance, who is in the chamber this evening, should take a few minutes to explain to us why he has gone from a 30 per cent to 100 per cent write-off. Why not a 50 per cent write-off? Why must these large corporations have a 100 per cent write-off?

The Deputy Chairman: Is the committee ready for the question?

● (2010)

Mr. Symes: Can the Minister of Finance answer a question which my hon. friend and others put this afternoon when he was not in the House? In view of the increased profits being made by the oil companies, in view of the fact that the minister was quite prepared to allow only a 30 per cent write-off on May 6, and in view of the fact that the 100 per cent write-off now proposed applies to foreign-owned corporations, why is the minister backing off and taking the position that the 100 per cent write-off for exploration is now justified?

Mr. Turner (Ottawa-Carleton): I gave those reasons fully in the budget speech on November 18. Because the risk is so high in both the mining and the petroleum industry I felt it would be in the interest of the country to allow a 100 per cent write-off for exploration.

Mr. Symes: Why has no consideration been given to the effect of the reduction in the provincial royalty rate which is now to be only 35 per cent as opposed to 65 per cent? The companies are getting an extra incentive from the provincial government yet the minister is still listening to the pleas of poverty from the oil companies by giving them 100 per cent. In the light of the concession the Alberta government is making, why does the minister still feel it is necessary for him to change his position?

Mr. Turner (Ottawa-Carleton): I have made that judgment and I have nothing further to add.

Some hon. Members: Hear, hear!

Mr. Benjamin: The minister says he changed his mind because of the high risk involved. Would he explain to the committee what is the risk? If there is a loss there are no tax penalties, and when exploration is made in or near proven areas the risk is, anyway, minimal. Certainly, in a situation like the tar sands or oil shale, or where there are known deposits of minerals, it is difficult to understand why a risk which was worth 30 per cent is now worth 100 per cent.

Mr. Turner (Ottawa-Carleton): Well, Mr. Chairman, if we knew where it all was there would be no problem at all. But we don't.

Mr. Benjamin: Since the minister confesses that we do not know what the risk is, or how much it is—

Some hon. Members: Oh!

Mr. Benjamin: Why does he not provide that if they can prove that a risk was taken, and if a loss was incurred, they could write it off? Why not wait until they can show in subsequent years that a risk was, in fact, taken and a loss sustained?

Mr. Turner (Ottawa-Carleton): The explanation would probably not be undertaken because of the high risk involved unless there was a commitment in the law that the expenditure could be written off against current income.

Mr. Nystrom: Why was the minister willing to do it for 30 per cent last year and why does he now believe 100 per cent to be justifiable? What is the reason for this startling change?

Mr. Turner (Ottawa-Carleton): Because I have taken part in intensive conversations with representatives of the provinces and with people who have to try to find these resources, including the independent companies, and I have concluded that in the light of the diminishing reserves of petroleum in the country this was the proper thing to do.

Some hon. Members: Hear, hear!

Mr. Symes: I find the minister's explanation incredible in the light of the profits the oil companies have received in the past and those they are getting now. Oil companies were content to explore when the price was about $2.80 per barrel. Today, although it is true provincial royalties have gone up, the price per barrel has also increased and the oil companies are making even greater profits. So the argument that they need extra incentives is impossible to accept.

I should like to draw the attention of the committee to some figures on the cost of producing a barrel of oil and on the profits derived from its sale. Between 1965 and 1969 the average wellhead selling price was $2.58 per barrel. The finding and development cost was 52 cents per barrel, of which 13 cents went into exploration. The cost of production, including the operation of gas plant, averaged 35 cents a barrel, and the provincial royalty averaged 30 cents a barrel and federal taxes 14 cents a barrel. So there was a profit in percentage terms of 49.2 per cent.

When the price went up to the current figure of $6.50 a barrel the cost of finding and development did not rise—it is still 52 cents a barrel. The cost of production is still only 35 cents a barrel. Provincial royalties have increased from $1.27 to $2.22 on the average, and federal taxes amount to 60 cents compared to 14 cents under the old regime. The profit derived by the oil companies, despite the higher taxes, is $2.81 per barrel, or 43 per cent, only slightly below the original profit of 49 per cent. And when we look at it in real terms, profits in dollar terms are much higher, the increase ranging from 60 per cent to 100 per cent last year, or gross figures in the hundreds of millions of dollars. Despite all this the minister says a 100 per cent write-off is needed.

It is so obvious. If the people of Canada could only see how the tax laws are made they would realize who it is the government really cares for, that is to say, the multinational companies and their corporate friends. These are the people for whom the laws are designed. Meanwhile ordinary Canadians pay higher prices while, at the same time, losing revenue because the government continues to subsidize the oil companies through tax concessions and write-offs.

I believe the minister is out of tune with the people, or at any rate out of tune with the people I talk to in all walks of life. They are outraged over what has happened to our oil industry, over the Syncrude sell-out, and the lack of initiative on the part of the government in failing to take over the resources of this country and develop them in accordance with Canadian priorities.

● (2020)

Clause 35 in the bill is just one further example of the sell-out on the part of the government to multinational companies, and it is also indicative of the change of attitude now that the government is in a majority in parliament and thinks it can ram this clause through to the detriment of all Canadians. I think the minister has failed to explain the change from the 30 per cent to 100 per cent, hoping that he had secured the majority of votes and that a mildly reasonable explanation would suffice. I think it is a national disgrace.

Amendment (Mr. Mackasey) agreed to: Yeas, 63; Nays, 9.

The Deputy Chairman: Shall clause 36, as amended, carry?

Some hon. Members: On division.

Clause 36, as amended, agreed to on division.

On Clause 37.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we tabled an amendment which I would like to move. It is intended to clarify the application of the fair market value rule where the taxpayer sells petroleum or mineral products to a government agent. I move:

That clause 37 of Bill C-49 be amended by striking out line 20 on page 84 and substituting the following:

contract.

Fair market value of resource output disposed of to Crown

(8) For the purposes of subsection (6), the fair market value at the time of disposition of a unit of any particular quantity of petroleum, natural gas or related hydrocarbons or metal or industrial minerals disposed of by the taxpayer referred to in that subsection to a person referred to in any of paragraphs (6) (a) to (c) shall be deemed to be the amount by which

(a) the average proceeds of disposition that became receivable in the month that included that time by that person for the disposition of a like unit from a person other than a person referred to in any of paragraphs (6) (a) to (c)

exceeds

(b) the average aggregate of all expenses (including depreciation) incurred by that person in respect of that month for each such unit that may reasonably be attributed to transmitting, transporting, marketing or processing thereof to the extent that such expenses are reasonable and necessary and do not include any cost of acquisition thereof.

Fair market value of resource output acquired from Crown

(9) For the purposes of subsection (7), the fair maket value of a unit of any particular quantity of petroleum, natural gas or related hydrocarbons or metal or industrial minerals acquired by the taxpayer referred to in that subsection from a person referred to in any of paragraphs (7) (a) to (c) shall be deemed to be equal to the amount, if any, paid or payable to the taxpayer by that person in respect of that unit.

Certain persons deemed to be same person

(10) For the purposes of subsection (8), where a person referred to in any of paragraphs (6) (a) to (c) disposes of a unit of any particular quantity of petroleum, natural

gas or related hydrocarbons or metal or industrial minerals to another person referred to in any of those paragraphs, those persons shall be deemed to be the same person."

The purpose of this rule is to ensure consistent treatment, whether the resource is marketed by a government agency at a mark-up, or by the taxpayer subject to government royalty. In each case the revenue from the resource which is taken as mark-up or royalty will be included in the tax basis. In order to achieve this objective, where the government marketing agency is involved the taxpayer is deemed to have sold petroleum or a mineral product at fair market value.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have a simple question for the minister. Has Clause 37, and the amendment to it which the minister has just moved, any connection with clauses 4 and 7 which are controversial, and which we are standing?

Mr. Turner (Ottawa-Carleton): Yes, it determines fair market value for the purpose of the deductibility or non-deductibility of a royalty. So it does relate.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Is it understood then that we will be standing this clause after discussing the amendments?

Mr. Turner (Ottawa-Carleton): Yes, if that is the wish of the committee at this stage.

The Deputy Chairman: Is it the wish of the committee that Clause 37, and the amendment thereto, be stood?

Some hon. Members: Agreed.

Mr. Symes: Mr. Chairman, I should like some clarification on a small point. I wonder if there is a typing error in the amendment. In the second to the last line of (9) we find the words "to" and "by". I wonder if those two words have been inadvertently reversed by the typist. Should that phrase not read "payable by the taxpayer to that person"?

Mr. Turner (Ottawa-Carleton): We will look at that when it is stood.

The Deputy Chairman: It is agreed that Clause 37, and the amendment thereto, stand.

Clause 37 stood.

On Clause 38.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we have a technical amendment to Clause 38 which I would like to move, as follows:

That clause 38 of Bill C-49 be amended

(a) by striking out lines 31 to 33 on page 84 and substituting the following:

'inventory of a business or a property described in any of paragraphs 59(2) (a) to (e).'"

(b) by striking out lines 37 to 42 on page 85 and substituting the following:

"owned by him or deemed to have been owned by him on December 31, 1971, and thereafter without interruption, that was a property referred to in subsection 59(3) or (3.1) and shall be deemed to have"

[Mr. Turner (Ottawa-Carleton).]

(c) by striking out lines 3 to 6 on page 86 and substituting the following:

"amount included, by virtue of subsection 59(1.1) or paragraph 59(3.1) (a), in computing the amount referred to in subparagraph 66.2(5) (b) (v) from property in"

(d) by striking out lines 20 to 22 on page 86 and substituting the following:

"property referred to in any of paragraphs 59(2) (a) to (e) has, on or after the death of the"

(e) by striking out line 53 on page 86 and substituting the following:

"66.2(5) (b) (v), as the case may be, in"

and

(f) by striking out lines 1 and 2 on page 87 and substituting the following:

"subsection 59(1), (1.1), (3) or (3.1), as the case may"

● (2030)

This is a series of technical amendments primarily to correct previous incorrect references to other sections.

The Deputy Chairman: Shall the amendment to clause 38 carry?

Some hon. Members: Agreed.

Amendment agreed to.

The Deputy Chairman: Shall clause 38, as amended, carry?

Mr. Munro (Esquimalt-Saanich): I rise on a point of order, Mr. Chairman. The point was made this afternoon about trying to follow amendments as they are introduced, and it was suggested in this connection that the page number be read first rather than the line number. This is a small point, but when one is going through a document of this thickness and learns that there is going to be a change on line 17, and then finds it is on page 86, which may be four or five pages past where the last amendment was made, it is very difficult. It would simplify matters, I suggest, if the page numbers were read first and the line number after that. Then we could follow it much more easily.

Mr. Turner (Ottawa-Carleton): We will try to accommodate the hon. member. I might say that the amendments were all tabled, and if the hon. member really wants to follow them he can get a copy from the Chair.

Mr. Hargrave: Mr. Chairman, I would like to make a comment on clause 38(7) at pages 89 and 90. This clause deals principally with the intergenerational transfer of farm land from an individual farmer to his children. It has nothing to say about the subject which I think a good many farmers in Canada are keenly interested in, and that is why this same intergenerational transfer could not apply to incorporated family farms and farm partnerships. If it is in order I should like to make a few comments on that.

First of all I want to say that I think family farm partnerships and corporations should be entitled to this roll-over provision. There are two other provisions included within the same clause, and they are the provision for five year averaging and the provision for principal resident exemption under the capital gains tax provisions. Those three items as they relate to the family farm corpo-

rate set-up and the family farm partnership are the items in which I am particularly interested.

I should like to remind the minister of what I felt was a very useful meeting which took place in the minister's office almost a year ago now, on March 13, 1974. At that time he was good enough to meet with the tax committee of the Canadian Cattlemen's Association. Most of our conversation was directed to this subject I am raising this evening. At that time the minister was good enough to include myself and the hon. member for Kamloops-Cariboo in the meeting because of our obvious interest in the cattle industry in Canada. I thought we came away from that meeting with the feeling that the minister was genuinely interested. We felt our points were well taken, and that something might come from that.

I made some remarks on this subject during the second reading debate and I should like to go back to two short paragraphs because I think they state in a nutshell the arguments which are pertinent. I said:

> It is important to remember that while only some 7 per cent of our Canadian farms are incorporated, they account for 28 per cent of our total farm production. These figures do not include farm partnerships. We should also take note of the fact that while we have some 336,000 farmers in Canada, about one-third of this number, 113,000, produce 80 per cent of our total farm production. It is a personal view, of course, but I make a clear distinction between a so-called family farm corporation and a business corporation in a non-farm sector of our society. Surely the fundamental reason for farm incorporation is to enhance and preserve the family farm as a meaningful farm unit.

I should like to add that there seems to be a sense of responsibility on the part of the federal government and many of our provincial governments in that over the years they have encouraged this type of family farm set up in order to preserve the interests of families, keeping them interested in the family farm approach. Then I went on to say during second reading debate, in reference to the meeting with the minister in March of 1974:

> —there appeared to be genuine interest and sympathy from the minister with respect to this matter. He suggested to our tax committee that because of the implications of our request, the so-called small business side of our society had to be seriously considered and he could make no decision at that time. He also suggested that his department must determine, in fairness to small businesses, if the roll-over provisions for small family businesses should also apply to them. To use the current phrase, I ask sincerely, why not? Surely a suitable definition of the term "small business" or "small family business" could be arrived at. This possibility could be given serious consideration. I think the minister has got into difficulty because he cannot adequately define a small business. In summary, I suggest that clause 38(7) of Bill C-49 has indeed done justice to the individual family farm, but at the same time it has drawn attention to a remaining injustice to other family farm businesses which do not enjoy this privilege.

It seems to me that the term "family farm corporation" suggests something insidious or sinister about a big business type of project. This is a necessary type of operation that has to be recognized. It is not in the category of a million dollar enterprise that bears close tax scrutiny or anything like that. Since that meeting with the minister a year ago I hope the minister has given this some thought and can make some comment on the situation. I would invite him to do so now.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I recall the meeting to which the hon. member for Medicine Hat referred. The hon. member for Kamloops-Cariboo was there, and also an old friend of mine, Gordon Parks, who is now the president of the Canadian Cattlemen's Association. He went to university with me in British Columbia.

Subsequent to that meeting I was with the hon. member in the Kamloops-Cariboo constituency, both in Kamloops and Quesnel, where we had further discussions about this problem, so I have been doing a great deal of thinking about it. I have not been able to resolve the problem to the satisfaction of either the hon. member for Kamloops-Cariboo or the hon. member for Medicine Hat.

We were concerned about persuading more people to stay on the land and produce food. We recognized the difficulty in respect of a family farm in the current economic structure, and we eliminated the capital gains tax on the transformation of a family farm from one generation to another as long as the land remains in agricultural use. The difficulty is that since the land is so illiquid, the payment of capital gains tax on the value of the land is very difficult, particularly in those areas of the country where there might be an artificial effect as a result of suburban sprawl. In this event the land is drawn out of agricultural production because the children cannot raise the money to pay the tax on the death of the father or mother, and it is the land, that is liquidated.

● (2040)

In the case of an incorporated farm there is not that type of liquidity because the shares, by reason of estate planning, can be transmitted over a period of time within the lifetime of the father and mother, and the same problem of liquidity does not arise.

There is also the fact that it is very difficult to ascertain whether the incorporated farm or the corporation to which the farm has been sold, or which holds the farm, does not also on behalf of the shareholders hold other property, shares, investments, other businesses and so on. From an administrative point of view trying to segregate the holdings of the corporation, the farm, from the other assets, would be extremely difficult indeed. On the question raised by the hon. member for Medicine Hat, there is very little logic in segregating the incorporated family farm as a business from any other incorporated business in the country—of which there are hundreds of thousands—so that in fairness, if one were to allow capital gains, free transmission from one generation to another in an incorporated family farm, there would be little argument for resisting that transmission on a tax free basis from one generation to another in any incorporated family business.

I have not been able to overcome those problems, and when the hon. gentleman mentions small business, I might say that we did try to accommodate small business in the last budget by increasing cash flow available to small businessmen incorporated in this country by raising the limit from $50,000 to $100,000 against which the 20 per cent or 25 per cent rate applies. I say those two different rates because it would be 20 per cent in the case of a manufacturer or processor, and it would be 25 per cent in the case of any other small business, and would raise the accumulated surplus against which those lower rates could apply from $400,000 to $500,000. That means an increase in cash flow for every small incorporated small business in this country of $11,500 per year.

I am conscious of the problem the hon. gentleman brings to me, but I have not been able to surmount the hurdles I have just described to him.

Mr. Hargrave: Mr. Chairman, I would just like to raise the last point again about this so-called small family business. The minister raised the point of the similarity between that and the small family incorporated farm. Why not treat them both the same? Is there anything wrong with giving the same option to the small family farm and non agricultural business below certain levels?

Mr. Turner (Ottawa-Carleton): The hon. member for Broadview said it would never end. I was thinking the same when I heard him and his colleagues earlier this evening. I do not want to tempt the hon. gentleman at all. I say that in a spirit of good humour which we all share at 8.45 p.m.

The revenue consequences would be too extreme for fiscal absorption at this stage. Again, it is getting very hard to segregate the holdings of those incorporated entities as between the farm, the farmland, the principal farm residence and other investments which are held by that corporation. I have not been able to overcome those difficulties. I have not closed my mind to the suggestion, but there is nothing I feel I can do to respond affirmatively to the hon. gentleman at this stage.

Mr. Hargrave: Mr. Chairman, in view of the fact that the minister has not closed his mind to this, would he be willing to stand this particular clause for an interval in order to give us an opportunity perhaps to help him come to a conclusion?

Mr. Turner (Ottawa-Carleton): Since I have been thinking about it for a year, Mr. Chairman, I feel that all I can do at the moment is advise the hon. gentleman that I do not have a remedy for him, and the standing of the clause would not improve the situation.

Mr. Towers: I think that if the Minister of Finance does not resolve this problem it will be with him to haunt him for the rest of his days because he promised to do this when the capital gains tax was first introduced. At that point in time he said that he would go along with it and try to resolve the problem. The question that I have for the minister is whether there is any plan of indexing capital gains for the first time turnover of the family farm as there is in the first time turnover of a home.

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I want to add a few words to what the hon. member for Medicine Hat has said, but first I would like to congratulate him for raising this point and also the minister for taking the time to speak to people actually in this predicament. I am going to come at it from a different way in the hope that I can add enough weight to the concern the minister is showing in this problem so that he will make some serious efforts to make the adjustment we all know is fair and equitable.

Ever since I have been around here we have received this same answer from ministers of finance that nothing of this nature can be done for the family farm because immediately the same privilege would have to be given to those in small businesses. I would like to relate to the minister what I think is the most terrifying experience a rural member can have these days, and that is to go visiting the farms of this country and to talk with the woman of the house. Perhaps I could add something new to the arguments the minister could use with his officials who hold adamantly to the idea that nothing can be done.

This is the year of women. I see these buttons on the lapels of some hon. members asking: "Why not?" I am asking the Minister of Finance why not? This is what I find when I go to a farm home today. Because of the shortage of labour, whether the farm is in the east or the west, farmers cannot get people to work on farms. The only way they can keep their operation going with the type of expensive equipment they have to obtain is to find someone who is responsible to look after that expensive equipment and the only person the farmer can turn to is his wife.

Particularly at this time of year when farmers are filling out their income tax forms, it is more than the ordinary risk a politician should have to take to go into these farm homes, because the wife is just fuming. She has a long list of the hours she has spent driving the truck, running the grain loader, operating the tractor, running the combines, loading grain into the bins. She has a list of hours that would make a hired man in my day envious at having such a claim to send in to the boss.

The farmer's wife sits there and watches her husband go through this detailed business of filling out his income tax form, and she cannot even claim for the wages she has earned the hard way, in addition to doing the ordinary chores expected from the distaff side in looking after the family, the house and so on.

The husband sits there with his shoulders hunched in mortal terror, like the politician who is visiting, fearing that the wife will go beyond the bounds of sanity and really let loose. When I sit there and try to explain that the advisers to the Minister of Finance keep saying that it will cost the treasury a lot of money if we give this to farm families because they might have to give it to small businesses as well, it will not wash.

This is the problem the rural politician has in this situation. It is not the revolution of women's liberation in the cities that terrifies the politician; it is the deep anger of a woman who has worked 3,000 or 4,000 hours in a year and cannot even collect the wages she should be getting.

● (2050)

The lawyers get on television and hold out to these farm families the promise that, if they incorporate, then the woman or the children who work on the farm can be paid. Of course this can be done for a small legal fee. They are told that if they incorporate they pay lower taxes on the first $100,000 and pay their legitimate labour fees on the farm. But if they pass the farm on to the next generation they lose the tax free provision in this section.

The minister lives in a city riding where it is pretty hard for a husband to find 2,000 or 3,000 hours of hard labour for his wife to perform during the year. Some of us, however, have to go out and meet those ladies on the farm, when they are tired and worn out, and give them the explana-

tion the minister has given us tonight. I think that is more than a politician should have to do. It is putting him at a level of danger that an ordinary mortal should not have to face.

I suppose I should be speaking more solemnly, Mr. Chairman, but I am simply saying to the minister that equity demands that we tackle this program. I talk to the wives of small businessmen in our towns who work long hours with their husbands, and then they get hit with this at income tax time. The younger people are all leaving for the towns and cities today. In this House we have the hypocrisy to stand up and pay great obeisance to the ladies. This is their year, yet we will not even make a simple amendment to let them have the advantages of incorporation without losing the advantage of being able to pass the farm or store on to the next generation.

I do not think the excuses we are getting from the Minister of Finance make sense; they threaten the survival of those of us who come from rural ridings. He is condemning us to a fate that is so awful that most of us do not dare face it.

I know the minister cannot change this in a short time, but I hope that if he brings in another budget, in this year of the women, he will make this amendment. If not, there are going to be a lot of casualties among rural members of parliament of all parties. These women do not think we are doing our job here when we cannot persuade the minister to accept a simple amendment. It could be done if the minister would just take the initiative. It would not be too difficult to put down the conditions that would prevent the provision from being abused in the area of small business. I would like to see us maintain the family businesses in our country, and also the family farms. We are going to need all the production of these people in Canada and the world, and I would like to see the House override the objections raised by the minister and insist on this amendment.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think the committee ought to recall that the only exception to tax free transmission of property from one generation to another is the one I introduced in the previous budget for the family farm. The hon. member is not going to catch me up on emotion on that situation. We brought it in because of the importance of the family farm and the partnership between man and woman on the farm.

The hon. member for Medicine Hat is trying to suggest to the committee that we should extend that exception to incorporated family farms. I am saying to the committee that we cannot do that without extending it to every incorporated family business, and that I am not in a position to do.

The hon. member for Qu'Appelle-Moose Mountain calls me a city slicker because he feels I represent a city riding. He knows this town pretty well, and he still canoes on the Rideau river between my riding and that of the hon. member for Grenville-Carleton. He knows there are a lot of good beef and dairy farmers in Cumberland and Gloucester townships. I want to assure the hon. member that the women of those townships are very well adjusted, liberated and fulfilled!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, all I can say to the minister's last remark is that I am not responsible for them being fulfilled.

Some hon. Members: Oh, oh!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I am simply pointing out in flat contradiction to what he said, that if he cannot do this for the family farm without doing it for small business then he should do it for both. If he does not do it for both it is not morally equitable, and I do not think we have the right to stand up and brag that we are doing justice to women in this year 1975.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Chairman, I am curious about why the minister says so definitively that he cannot do it unless he does it for the small businessman as well. Is there any particular reason why this cannot be defined to apply to a small business farm?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, it is because it is not the definition of the corporation that counts, it is what the corporation can hold. Once the corporation is incorporated there is no limit on what it can hold.

Mr. Stevens: Would the minister agree that the draftsmen of income tax legislation are usually adroit enough to define what is the main business of the corporation? If the main business is farming according to the definition, then you have a family farm situation and you go ahead and include them in the provision. I think the minister has drawn a red herring across the situation when he says we have to go the whole way or not at all. It is possible to draft a provision that would apply to an incorporated farming business without any suggestion it should apply to all personal small businesses.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the difficulty is not just the mechanical problem, it is the equitable problem. I can distinguish, and I think members of the committee can, between an unincorporated farm and another kind of business because of the illiquidity of land—the difficulty of mustering the money to pay succession duties, and now capital gains tax on land. I cannot draw that distinction between an incorporated family farm and an incorporated ordinary business because the shares are not illiquid and they can, in any family planning situation, be transmitted over the course of a lifetime of the owners of those shares. That is the difficulty. Once you attempt to incorporate the family farm there is no logical reason why the same tax free transmission should not be granted to any family business. That is the problem as I put it to the committee.

Mr. Stevens: I take it the minister agrees that from a drafting standpoint and legal standpoint it could be done, but he just feels that in equity it should not be done.

Mr. Turner (Ottawa-Carleton): In equity it is difficult to justify without going further. In terms of drafting it is difficult because you have to provide for some limitation on the holdings of the corporation. From an administrative point of view that would be very difficult to enforce.

Clause 38, as amended, agreed to.

Clauses 39 to 42 inclusive, agreed to.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I am prepared to have clause 43 carry but I want to introduce a new clause 43.1 which I will explain.

Clause 43 agreed to.

● (2100)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I should like to circulate an amendment I intend to propose. I have not given it to the committee. It is a technical amendment to paragraphs 18(1) (m) and 12(1) (o) of the act, and is intended to clarify the application of the provisions in this bill concerning resource royalties and resource taxes levied by government.

As part of the provisions affecting the petroleum and mining industries, this bill provides that government levies such as royalties and resource taxes would not be recognized as a deduction in computing the income of the taxpayer. It has become evident, however, that the French wording is not sufficiently clear to cover cases where one taxpayer reimburses another for such government charges. If, in such cases, the relief or levy is clearly being borne by the taxpayer who is making the reimbursement, the government will make it clear that this taxpayer's income is adjusted.

The taxpayer being reimbursed—usually a freeholder—will be put in the position as if he had neither received nor made a disbursement with respect to the royalties or mineral taxes for which he was reimbursed. In this way it is clear that the owner of the freehold land who happens to pay a province an annual payment for that land which is leased to an oil company or resource company will not be penalized. If the oil company or resource company pays him rent for the use of that land, this provision will cover the tax which he would otherwise have to pay to the government. Unless we make it clear that the non-deductibility provision does not apply to the owner of the freehold land but applies to the oil company or the resource company which is using the land, the wrong person will wind up paying the tax. There are hundreds of owners of freehold land in western Canada who have leased out their land to oil companies, independents and otherwise, and they would be caught unless we bring in this amendment. It is clearly our intention, if the committee will entertain the amendment, to have it stood with the rest of the resource clauses until they can be dealt with. May I put the amendment to the committee. I move:

That Bill C-49 be amended by adding immediately after line 20 on page 95 the following clause:

'43.1 (1) The said Act is further amended by adding thereto the following section:

Reimbursement by taxpayer for payment to Crown deemed paid direct to Crown

"80.2 Where pursuant to a contract between a taxpayer and another person (in this section referred to as the "payee") any amount is paid or payable by the taxpayer or any property is transferred by the taxpayer to the payee as reimbursement in respect of any amount paid or payable referred to in paragraph 18(1)(m) or the fair market value of any property paid or payable referred to in that paragraph by the payee to any of the persons referred to in any of subparagraphs 18(1)(m)(i) to (iii), for the purposes of this Act the following rules apply

(a) the taxpayer shall be deemed to have paid the amount or property, as the case may be, to a person or persons referred to in any of those subparagraphs,

(b) the payee shall, to the extent of that reimbursement, be deemed not to have paid an amount or property, as the case may be,

(c) the payee shall be deemed not to have received any reimbursement from the taxpayer, and

(d) paragraph 12(1)(o) shall not apply in respect of the amount or property paid or payable, as the case may be."

(2) This section is applicable in respect of amounts or property paid or payable on or after May 6, 1974.'

Mr. Stevens: Mr. Chairman, as the committee has not seen the amendment, perhaps we could stand the entire clause as well as the amendment.

The Chairman: Order, please. I understand clause 43 has been carried, and the amendment just put will introduce new clause 43.1. The amendment does not amend clause 43. It introduces new clause 43.1.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I understand clause 43 carried, and I propose that new clause 43.1 should stand.

The Chairman: Does the committee agree to stand new clause 43.1?

Some hon. Members: Agreed.

Clause 43.1 stood.

Clauses 44 to 46 inclusive agreed to.

On clause 47.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I intend to move a technical amendment to clause 47, found on pages 98 and 99 of the bill. I move:

That clause 47 of Bill C-49 be amended

(a) by striking out lines 31 to 33 on page 98 and substituting the following:

"tion and,

(a) at any time before the debt was incurred, any particular person, or the group"

(b) by striking out line 43 on page 98 and substituting the following:

"(b) at any time before the particular time, the particular person or group of"

and

(c) by striking out lines 14 to 16 of the French version on page 99 and substituting the following:

"sonne donnée ou à tout membre de ce groupe de personnes, ou

(D) toute combinaison de person-"

Amendment agreed to.

Clause 47, as amended, agreed to.

On clause 48.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I wish to propose a technical amendment and a correction to the French version of clause 48, which is found on pages 103 and 104 of the bill. I move:

That clause 48 of Bill C-49 be amended

(a) by striking out line 51 of the French version on page 103 and substituting the following:

"tous les biens visés à l'alinéa *e*), l'alinéa *d*) ou *e*), selon le"

and

(b) by striking out line 46 on page 104 and substituting the following:

"would, subject to paragraph (c), be deemed to be an amount that"

Amendment agreed to.

Clause 48 as amended, agreed to.

Clauses 49 and 50 agreed to.

On clause 51.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I wish to move a technical amendment, already circulated, to clause 51. The amendment would affect pages 115 and 122 of the bill. I move:

That clause 51 of Bill C-49 be amended

(a) by striking out line 31 on page 115 and substituting the following:

"(5) Paragraphs 87(2)(p) and (q) of the said Act and"

(b) by striking out line 36 on page 115 and substituting the following:

' "(p) for the purpose of computing a deduction from the income of the new corporation for a taxation year under section 64, any amount that has been included in computing the income of a predecessor corporation for its last taxation year or a previous taxation year by virtue of subsection 59(1) or (3) or paragraph 59(3.2)(c), or by virtue of subsection 83A(5ba) or 5(c) of this Act as it read in its application to a taxation year before the 1972 taxation year, shall be deemed to have been included in computing the income of the new corporation for a previous year by virtue thereof;

(q) for the purpose of computing the '

and

(c) by striking out line 6 of the French version on page 122 and substituting the following:

"et les paragraphes (1), (3) et (10) s'appli-"

● (2110)

[*Translation*]

This stands for "s'appliquent", I imagine.

[*English*]

Amendment agreed to.

Clause 51, as amended, agreed to.

On clause 52.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we circulated an amendment to clause 52. The amendment is found on pages 123 and 128. I would like to propose it. I move:

That clause 52 of Bill C-49 be amended

(a) by striking out lines 5 to 24 on page 123 and substituting the following:

Consideration for resource property disposition

'(3) All that portion of paragraph 88(1)(d) of the said Act preceding subparagraph (ii) thereof is repealed and the following substituted therefor:

"(d) the amount determined under this paragraph in respect of each property that was a capital property (other than a depreciable property) of the subsidiary is such portion of the amount, if any, by which the aggregate determined under subparagraph (b)(ii) exceeds the aggregate of

(i) the amount, if any, by which

(A) the aggregate of amounts each of which is an amount in respect of any property owned by the subsidiary immediately before the winding-up, equal to the cost amount to the subsidiary of the property immediately before the winding-up, plus the amount of any money of the subsidiary on hand immediately before the winding-up,

exceeds the aggregate of

(B) all amounts each of which is the amount of any debt owning by the subsidiary, or of any other obligation of the subsidiary to pay any amount, that was outstanding immediately before the winding-up, and

(C) the amount of any reserve (other than a reserve referred to in paragraph 20(1)(n), subparagraph 40(1)(a)(iii) or subsection 64(1)), deducted in computing the subsidiary's income for its taxation year during which its assets were distributed to the parent on the winding-up,

(i.1) the amount of the subsidiary's tax-paid undistributed surplus on hand at the time it was wound up, and

(i.2) the amount of the subsidiary's 1971 capital surplus on hand at the time it was wound up,

as is designated by the parent in respect of that capital property in its return of income under this Part for its taxation year in which the subsidiary was so wound up, except that"

and

(b) by striking out line 13 on page 128 and substituting the following:

"6, 1974, except that subparagraphs 88(1)(d)(i.1) and (i.2) are applicable for the purpose of computing the adjusted cost base of a property after February, 1975, and subsection (8) is applicable in"

Mr. Baker (Grenville-Carleton): Mr. Chairman, I rise on a point of order. Now that the minister has given us the amendment in ordinary layman's language, would he like to put it into legal language for us?

Some hon. Members: Oh, oh!

The Chairman: Order, please. Before doing that, the amendment should be put to the committee.

Mr. Paproski: Mr. Chairman, we would like to see this amendment stand.

An hon. Member: Why?

Mr. Paproski: It has consideration for resource property disposition. We would like to make a little further study on it.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I understand what the hon. member for Edmonton Centre is saying. I wonder whether he would allow the amendment to carry and just stand the clause.

Mr. Paproski: That is fine, Mr. Chairman.

Amendment agreed to.

The Chairman: Is it agreed that clause 52, as amended, be stood?

Some hon. Members: Agreed.

Clause 52, as amended, stood.

On clause 53.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we have a series of technical amendments to clause 53. The page numbers are 129, 130, 131, 132, 136 and 140. I move:

That clause 53 of Bill C-49 be amended

(a) by striking out line 32 on page 129 and substituting the following:

"tal property) before that time to the corpora-"

(b) by striking out line 36 on page 130 and substituting the following:

"section 84(1), to have paid before that time on an"

(c) by striking out line 17 of the French version on page 131 and substituting the following:

"(xiv), (xv) et (xviii) relativement à la"

(d) by striking out lines 15 to 17 on page 132 and substituting the following:

"ration and,

(A) at any time before those shares were so issued, any particular person, or the"

(e) by striking out line 28 on page 132 and substituting the following:

"(B) at any time before the particular time, the particular person or group"

(f) by striking out line 50 of the French version on page 132 and substituting the following:

«1. cette personne donnée,«

(g) by striking out lines 19 and 20 on page 136 and substituting the following:

"property referred to in any of paragraphs 59(2)(c) (d) or (e),"

(h) by striking out lines 29 and 30 on page 136 and substituting the following:

"erty referred to in any of paragraphs 59(2) (c) (d) or (e) owned by"

and

(i) by striking out line 19 of the French version on page 140 and substituting the following:

"actions d'une corporation, aux fins de la disposition (1) d) (iv.1) (C), l'augmentation"

● (2120)

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I consider all these amendments to Bill C-49 extremely important. I understand that the Minister of Finance (Mr. Turner) is particularly familiar with the provisions which concern taxation since his role consists in ensuring that money is coming in to finance government expenses.

With all due respect, I would like to suggest that the amendments be read more slowly so that we may follow them very closely. I make this suggestion with all due respect so that we may really follow tonight's procedure.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I understand the hon. member and I sympathize with him. I distributed all the amendments about two weeks ago so that the committee could examine them. However, I shall try to read carefully and clearly, and the hon. member could perhaps ask the Chair for a series of copies of these amendments. I see that you have them.

[*English*]

Amendment agreed to.

Clause 53, as amended, agreed to.

On clause 54.

Mr. Turner (Ottawa-Carleton): I have one more amendment to this part of the bill, after which there are no amendments for a while. Perhaps the committee would turn to page 142 the bill. These are relieving provisions. I move:

[The Chairman.]

That clause 54 of Bill C-49 be amended

(a) by striking out line 24 on page 142 and substituting the following:

"tion that has, before November 19, 1974, become"

(b) by striking out lines 30 to 34 on page 142 and substituting the following:

"1971 capital surplus on hand if the paid-up capital of the corporation in respect of any class of shares of its capital stock at the end of its 1971 taxation year was the amount determined under clause 89(1)(c)(ii)(A) in respect of that class at that time,"

(c) by striking out lines 39 and 40 on page 142 and substituting the following:

"hand if the paid-up capital of the corporation in respect of any class of shares of its capital stock at the end of its 1971 taxation year was the amount determined under subparagraph 89(1)(c)(ii) without reference to this subsection in respect of that class at that time,"

(d) by striking out line 45 on page 142 and substituting the following:

"at any time after November 18, 1974 shall be"

Amendment agreed to.

Clause 54, as amended, agreed to.

On clause 55.

Mr. Stevens: I think the Minister of Finance might help the committee by giving us some explanation of clauses 55 and 56, which I believe are related. In particular I would be interested to know what he feels would be the revenue implications.

Mr. Turner (Ottawa-Carleton): We do not have the revenue figures. The purpose of the amendment is to allow Canadian parent companies to operate abroad and only be taxable on that part of the income which is brought back into the country or not used in the legitimate business of a subsidiary. Revenue is very difficult to estimate since it depends on economic activities in the various countries in which the companies operate.

Clause 55, agreed to.

Clauses 56 to 68 inclusive agreed to.

On clause 69.

Mr. Brisco: I should like to ask the minister for clarification of this clause—I do not altogether follow the complexities of the tax structure. What is the deduction for which provision is made in paragraph 1 of Clause 69? Is it in the amount of $1,000, or is it more than that figure? It has to do with deductions for handicapped people.

Mr. Turner (Ottawa-Carleton): This includes as a deductible expense amounts paid in respect of an individual, the taxpayer, his spouse, or a dependant, to a school, institution or other place equipped to provide training to persons who are handicapped. At present, the subparagraph restricts the deduction to amounts paid to a school or institution which takes only persons so handicapped. It is now being extended so as to apply to any school which may, among other things, deal with handicapped people.

The Chairman: Shall clause 69 carry?

Mr. Stevens: I believe it is the intention that we should turn to other business at 9.30. We have some comments to make on clause 69 and I see it is now 9.30.

Clause 69 stood.

The Chairman: Then pursuant to the order made earlier this day I request leave to rise and report progress.

Progress reported.

* * *

RAILWAY ACT

AMENDMENT TO GIVE AUTHORITY TO MINISTER TO ACQUIRE CERTAIN COST INFORMATION FROM COMPANIES

Hon. Jean Marchand (Minister of Transport) moved that Bill C-48, an act to amend the Railway Act, be read the second time and referred to the Standing Committee on Transport and Communications.

● (2130)

He said: Mr. Speaker, the purpose of this bill is to provide for the disclosure of railway cost information on a confidential basis from the federal government to the provincial governments. While this legislation was promised by the Prime Minister (Mr. Trudeau) at the Western Economic Opportunities Conference, it is not restricted only to the western provinces but applies to all provinces.

The railways had not in the past been required to disclose information on their cost of operation unless the Canadian Transport Commission held that this disclosure was in the public interest. This left the provinces without the necessary information for the formulation of all policies.

To date, considerable cost data has been made available to the federal-provincial Committee on western transport for its major studies. As well, where certain cost data have been requested by the provinces for policy formulation purposes, the federal government has arranged to provide this information through the Canadian Transport Commission. Western ministers have nevertheless pressed to have provisions for disclosure of cost information included in the Railway Act. The prime purpose of the legislation is to ensure that the federal government will be able to continue to fulfill its commitments in this regard to the provinces.

I should add that this proposed legislation is an interim measure pending the introduction of a transportation information act which will take in the whole transportation system and all modes.

Let us look now at the four new sections to be added to the Railway Act.

331.1 This section implements the undertaking of the Prime Minister given at WEOC for disclosure of information on railway costs to a province on a confidential basis. For this purpose the information on costs is defined as costs of "transportation services and operations" or "costs of a specified movement of a specified commodity", for example, a car load of cattle from Edmonton to Montreal.

Railway Act

331.2 This section provides that the minister for his own use can request information on costs of any kind from a railway company. This provision does not arise from the WEOC commitment.

331.3 This section provides that information on costs cannot be communicated to or published by any person, except that such information can be communicated to ministers of the Crown—federal or provincial—or public servants—federal or provincial—required by their duties to receive this information.

Subsection 3 provides that information on costs furnished to a provincial government or the minister under this act that is relevant to a proceeding under specified acts may be published or communicated by the province or the minister. This subsection implements the second principal undertaking on railway costs given at WEOC.

331.4 This section ensures compliance by a railway company with a request from the minister. If a railway company does not comply, the minister can use the powers available to him under section 82 of the National Transportation Act.

Section 82 of the act provides in part that the minister has the power to summon witnesses, enforce their attendance and compel them to give evidence and produce books, papers or things that are required to be produced, as is vested in any court in civil cases.

This, Mr. Speaker, is the gist of our proposed legislation.

[*Translation*]

Mr. Speaker, what we want to do actually by the proposed amendment to the Railway Act is to be able to get all information pertaining to freight rates and their justification when requested by the provinces or the Department of Transport. I think that is what not only the western provinces but the others as well have been requesting for a very long time.

We want to know. That would be done on a confidential basis for a very simple reason: I think that from the moment you accept competition between railway transport, shipping, trucking, and air transport there is a need to know exactly what the cost is to be able to compare and make sure that Canadians really get a fair deal with all those with whom they must deal.

So, Mr. Speaker, the purpose of the bill before us is very limited. There will be another later on, a general one, dealing with not only the whole cost but all forms of transportation. For the time being we want to know what it costs. The western provinces want to know what it costs to move commodities from one place to another and, presumably, the other provinces also want the same information. That is the purpose of Bill C-48 now before the House.

[*English*]

Mr. Jack Murta (Lisgar): Mr. Speaker, I certainly hope that I will not take up too much time of the House this evening because I understand that there are three more speakers. It would be tempting, after listening to the Minister of Transport (Mr. Marchand) speak, to get into all the areas of past inequities in eastern or western Canada pertaining to the whole aspect of freight rates, etc. I will not do that tonight because hopefully we will have

time to scrutinize this particular piece of legislation at committee stage, and again on third reading.

● (2140)

The western provinces, in fact all the provinces, have waited for some action from the government for a very long time. The minister mentioned the Western Economic Opportunities Conference held two years ago. When you view this particular piece of legislation I think it is apparent that it is a very small band-aid in the government's total approach to transportation, and because it is a small band-aid approach it is apparent that the transportation policy of the government is clearly in a mess. I think that that really goes without saying.

In speaking to Bill C-48, the primary intent of the amendments is to provide the Minister of Transport with the power to obtain costing data from the railways at the request of the provinces. This legislation is apparently one step toward the implementation of a more comprehensive transportation information act as was mentioned in the Speech from the Throne on September 30, 1974.

To give a little bit of background, which the minister really did not delve into, the request for railway cost disclosures originated from a transportation paper presented by the four prairie provinces at the Western Economic Opportunities Conference in July, 1973, nearly two years ago, yet the minister comes into the House tonight and says he is still planning to do something in the area of transportation.

In response to this request, at the time the minister stated:

> We agree fully with the provincial position that this is desirable, and if it cannot be achieved under the existing act, which we believe it can, we are prepared to amend the act.

This is one of the very few times I have been able to ascertain in the minister's political career that he was correct in a statement. There is little doubt in my mind, on looking into the various aspects of the National Transportation Act, that the power to obtain information from the railways re costing data exists under both the Railway Act and the National Transportation Act if the government wants to use that power.

Dealing with the Railway Act, I intend to refer to specific sections because I think they are important, and I hope hon. members will bear with me. It is important that we look at the National Transportation Act in its total context, especially those sections which pertain to the bill we are discussing now and will be debating in the committee.

In looking at sections 325, 326, 327, 328, 329, and 330 of the Railway Act we find they clearly outline the specifics of information to be submitted to the commission by the railways on an annual basis. Furthermore, if we look at section 328 we find it gives to the commission the power to dictate to the railways the accounting procedures and classifications which must be used uniformly by all railways under the legislative authority of parliament.

If we look at section 331 we find it states that the commission, once in receipt of this costing information, may at its own discretion, dependant on the public interest, publish that information.

[Mr. Murta.]

Furthermore, if we look at section 335 we see that it indicates that the commission may require returns from the railways at any given time, and specifies the type of information it may request. If we look at section 335(3) we find it states that this information shall not be made public, but section 335(4) requires that the information may be communicated to the Governor in Council, in other words, the cabinet.

Furthermore, section 335(5) states that the commission may make public the information when there are "good and sufficient" reasons for doing so, but it cannot publish the information unless the company is notified and its objection is heard.

The purpose of outlining these sections of already existing legislation is primarily to illustrate that this piece of legislation before us is not needed at the present time if the government wants to use the existing legislation at its disposal. Bill C-48 will be, if anything, more restrictive than the present statutes.

Under the Railway Act the Canadian Transport Commission and the Governor in Council are given a very broad range of powers concerning railway costing data. The Canadian Transport Commission has the right to publish this information in the public interest, consequently the provinces do have the right to examine the costing data under existing legislation.

The provisions of Bill C-48 specify that the minister, upon the request of a provincial government may—and there is the use of the word may again—in writing request the railway companies to furnish him with information relating to costs "in such manner and to such extent as he may specify".

Furthermore, upon receiving the information the minister may—note once again—release the information to the provincial government if that government has undertaken to treat the information as confidential. This amendment, as far as we are concerned, serves to restrict the dispersion of the material solely to the provincial governments which must, in turn, agree to treat the information as confidential. Consequently the restrictive nature of these provisions in Bill C-48 is clearly illustrated.

We think that this entire piece of legislation is what could politely be called a political farce. The powers accorded the minister under Bill C-48 are powers which already exist at the request of the Canadian Transport Commission and the Governor in Council, if they wish to use them. This fact is openly admitted in section 331.4(2) where it states that if the railway refuses to comply with the request of the minister he can then revert to section 82 of the National Transportation Act as a contingency measure.

We also believe that the bill appears to erode from the Canadian Transport Commission some of its duly appointed powers, and proceeds to place these powers in the hands of the Minister of Transport whose past performance, as far as the assertion of power is concerned, leaves much to be desired, and is at times shameful.

We feel what can be termed the wresting of power from the Canadian Transport Commission is indicative of the persistent authoritative struggles between the ministry and the commission over the past few years. In some cases

the commission, being the legally established regulatory transportation body, should necessarily have control over railway costing data, simply because it has the authority to control the rate of every mode of transportation in this country. It would appear that the minister has now deemed it politically expedient, and I would say that is the only reason this legislation is before us, to assume this control, especially where western Canada is concerned.

The operational validity of the entire ministry of transport must, at the present time, be subject to the most severe criticism and skepticism. The minister has publicly admitted that the system is in a mess. He said this as early as March, 1974, nearly a year ago. We have a situation where an 18 month freight rate freeze, which was a gesture, to use the minister's own words, and which was initiated to allow for the creation of a time frame within which a more equitable policy could be formulated, now ends without a policy or any indication of one in the near future.

● (2150)

I do not think anyone in this country believes the Minister of Transport when he says there will be a transportation policy in the near future. We have the Minister of Justice (Mr. Lang) intervening in a legal and lawful decision taken by the Canadian Transport Commission in the public interest, and negating the effects of that decision. We also have the Minister of Justice making statements contradictory to those made by the Minister of Transport over the Crowsnest Pass freight rates.

We have seen situations where the president of the Canadian Transport Commission and the minister have persistently passed the buck over who has authority over what. We have witnessed the creation of numerous pilotage authorities which are allowed to operate completely autonomously from the minister, or from any control the minister has over them. We apparently have a situation, according to the minister himself, where the railways, and I am quoting the minister:

> ... when these companies consider they are making no money by investing in cars they do not build any.

The minister said that on March 21, 1974, as recorded at page 737 of *Hansard*. The railways are thus hindering our grain transportation efficiency as well as Canada's international reputation as a grain supplier. The Canadian railway system is plagued with inefficiencies which the minister claims are beyond his control. For example, a situation exists where the number of derailments escalates every year, and still nothing is done, no leadership is given, and no positive action is taken. There is a persistent boxcar shortage, and under the Canadian Transport Commission Railway maintenance is negligible, to say the least.

The minister claims once again that these matters are beyond his control, yet the president of the Canadian Transport Commission contends that the minister does have the legal authority to order the railways to improve their services.

Section 100(1) of the Railway Act provides that whenever the minister is aware that a railway company, which has received construction subsidies out of public funds, cannot be safely and efficiently operated, he may apply to the commission for an order that the railway and its equipment, or both, shall be put in a safe and efficient condition. The commission is authorized to make such an order, and the order may direct what repairs, improvements or additions shall be made to the railway, equipment, or both, and stipulate time limits for commencement and completion.

The use of the word may in the subsection indicates that the minister has the discretion as to whether he makes an application. The minister repeatedly says that he does not have that discretion, so one can only draw from that the conclusion that he is still passing the buck, and that he is still either not interested or does not understand the significance of transportation in Canada.

However, as a minister of the crown representing the public interest—as opposed to private interests—and as a trustee of the subsidy interest of the public in the railway, his discretion must be exercised in the public interest. The application of the minister, when made, must be in a mandatory form, that is, that the railway must be put in a safe and efficient condition, if the minister truly wants that to happen. This power vested in the minister under the Railway Act is confirmed by section 48 of the National Transportation Act.

Again, Mr. Speaker, section 50 of the National Transportation Act authorizes the Governor in Council—presumably on the recommendation of the minister—to refer to the Canadian Transport Commission for action anything required to be done under the Railway Act, and the commission shall, without delay, comply with the requirements of such reference. Yet the minister has made no move towards utilizing the authority accorded him, and if one looked at the various sections of the act, which I have quoted, the sections provide the government with the power to go ahead and move toward solving many of the problems we have in transportation. This is especially true of the small piece of legislation that is before us, which is a political farce.

Some hon. Members: Hear, hear!

Mr. Murta: If this is the case, the implication of the provisions of this bill and the persistent use of the word may, which implies that the minister has a discretion, are such that they will render the legislation ineffective and useless. For this reason we intend to amend the legislation to ensure that its enforcement will reflect the public interest.

It has been nearly a full year, give or take a month, since the minister first admitted that the system is a mess, yet absolutely nothing has been done. His speech tonight indicates that probably nothing will be done. The election promises the government made in the 1974 election were just promises. Commitments made at the Western Economic Opportunities Conference have disappeared in the midst of struggles within the department and politically motivated statements from the Minister of Transport from time to time, not to mention the kind of performance we have seen by the minister of transport here in the House of Commons.

At this point in time one can only reflect that the government based its mandate in the last federal election on the aspect of leadership, and on May 17, 1974, the Prime

Minister (Mr. Trudeau) opened his campaign in Toronto by stating, and I quote him "The issue is not this or that or the next problem. The issue is what group of men and what party can give the leadership to the country to solve its problems." At the present time that quotation must have a very hollow ring even for the government backbenchers. There has not been leadership in the transportation area, to be specific, nor has there even been a passing interest in transportation from the Minister of Transport himself.

I would like to close by saying that it can only be hoped that part of our transportation problem will be solved by the replacement of the Minister of Transport at the earliest possible time.

Mr. Les Benjamin (Regina-Lake Centre): Madam Speaker, many people in many parts of the country have been waiting many years for something to happen to our freight rate structure, in fact for as long as 40 or 50 years for parliament to act in this regard. I was hoping that the government would have deemed this important enough that we could have dealt with it a little earlier tonight, but there was agreement to do so at this time and I must abide by that.

I want to say that legislation has been promised by the government and by the Minister of Transport (Mr. Marchand) for almost two years. The bill proposes a new section of the Railway Act empowering the minister to require the railways to furnish specified cost information, either at his request or at the request of the provinces, and to release such information to those provinces. As the hon. member for Lisgar (Mr. Murta) said, such information will be kept confidential. The first question I want to raise with the minister and with hon. members is why the necessity for confidentiality. There is no need for it, particularly where there is no competition. There is very little need for it even wherever there is some small semblance of competition in transportation. The minister himself has said that competition in transportation in Canada does not work.

I agree with the hon. member for Lisgar, and I hope that the minister will do this himself without our having to try to amend the bill so that it will read that the minister shall, not the minister may. I am sure the minister would want to amend his legislation to that effect.

● (2200)

I have a lot of quotations from speeches of the minister and the Prime Minister (Mr. Trudeau) but I will be lenient on hon. members tonight, Madam Speaker, and not quote them all. I want to quote some of them, however, to illustrate what I believe to be the case, that the Minister of Transport does not have the support of his colleagues in caucus and in cabinet for what he would like to do for transportation in Canada. One only has to notice the minister in charge of the Canadian Wheat Board run from one end of the country to the other, making announcements about Crowsnest pass rates, freight rate freezes, branch line abandonments and other areas of transportation that are the prerogative of the Minister of Transport, to see how he is being undermined by his colleagues.

This bill is only a small beginning regarding the disclosure of costs. The minister promised a new transportation information act prior to the election, and the Prime Minister promised it during the election. If, and when, we get it we will want an extension of the disclosure provision to cover all federally regulated modes of transportation. We will press for a full disclosure, not only to provincial governments but to the public, where massive public subsidies are involved. Every mode of transportation in this country gets massive subsidies. The railway subsidies show up clearly, but the greater subsidies to highways, trucks and airlines do not show up as readily. There is no real competition in most areas of transportation in Canada, and so there is not the excuse of confidentiality. The public has a right to know, and this parliament has a right to know.

It is not sufficient for the railroads just to disclose their costs. I, for one, do not believe their figures, and the minister, the provinces and this parliament need to be satisfied that their costs are not padded. If the minister does not have the authority to investigate the railways' claim of their costs of freight rates and branch lines, etcetera, then I hope that he will ask for that authority by amending this legislation.

The hon. member for Lisgar said that he thought this bill was a farce because the government already had the power it sought. Certainly in certain circumstances it does, but I think it is significant that the provinces still want this disclosure legislation. That indicates to me that they do not believe the figures that are being given. I have only to quote the Premier of Alberta on this. The premiers of other western provinces agreed with him, and I am sure the premiers of the Atlantic provinces would agree as well. In March, 1973, Premier Lougheed said:

> We call here and now for the federal government to order both national railways to provide every aspect of their costs to interested provincial governments.

The fact that the provincial governments want this legislation indicates to me their lack of trust in the railroads' figures. The four western premiers pressed their demand further in July, 1973, and secured a commitment from the federal government to get information on railway costs. In November, 1973, in this House the minister said:

> We made a commitment in the west to the effect that the provinces would be informed as to all details of the railway rate structures.

Since he himself has said "we"—meaning the government—made a commitment, I ask why they have the word may in the legislation instead of shall. Later in November, 1973, the minister said:

> ... the commitment we made was to have the CTC and the railway companies give the information—on costs—at the request of the provinces. The provinces have made a number of specific requests and information with respect to them will be furnished ...

Perhaps the minister will tell us when we get to committee whether these requests have been complied with fully. I should also like to know what information the provinces asked for that they still have not received. The fact of the matter is that the provinces want all the information there is, not only on freight rates but on the cost of operating branch lines and so on. That commitment, made by the minister and the Prime Minister, applies to everything.

This has been a thorn in the side of the Atlantic provinces and the western provinces ever since the CPR was built. The anomalies of freight rates—or what I call the absurdities of freight rates—have been a thorn in the side of the western provinces for decades. This is somewhat of an occasion this evening. We are finally dealing with this matter—we finally have an opportunity to request our transportation industry to be honest and open with the parliament of Canada, the Minister of Transport, the provinces, and the people of Canada.

Any attempt to rationalize a freight rate structure and remove inequities cannot succeed without full and complete cost data. The lack of progress to date in the federal-provincial committee has been primarily because of the refusal of the railways to supply the information requested. Let me give an example.

An independent study done in Ontario by R. L. Banks and Associates, Inc. was commissioned by the Ontario government, and the report was released in November, 1973. It estimated that the cost of moving coal by rail from Alberta to Ontario was between $5.49 and $6.08 per ton. But the CNR and the CPR were requesting a rate of $9.50 per ton.

In view of the importance of exploring relative economic efficiencies of alternative energy sources, the provincial governments of both Alberta and Ontario demanded information on the railways' cost structure and the rationale for what was obviously an excessive rate—something over $3 per ton in excess of what was a reasonable cost. In my book cost includes a reasonable return on investment.

● (2210)

Let us consider subsidies. Each year the two national railways receive hundreds of millions of dollars in government subsidies to cover operating losses on branch lines, or for what they claim are operating losses based on their figures and costs. Allegedly, these subsidies cover uneconomic passenger service. Even the CTC, which you can hardly call the friend of the Canadian public, has disallowed something like 20 per cent of the alleged costs claimed by the railroads for their transcontinental passenger services.

The 1974-75 estimates include payments to the railways of $140 million. Of this sum, the subsidy for rail passenger service was $100 million, and for branch line service, $40 million. Without full and complete costing information the public and the government have no means of knowing whether and to what extent subsidy payments are justified. The parliament of Canada has no alternative except to accept the word of the railways as being given in good faith.

From my experience with railroads, both when I was with them and agin' them, I know that I cannot accept their figures in good faith. We have known too many years of bitter experience with our transportation companies, and I will not accept their costing figures as being given in good faith. Yet the government will part with $140 million, without knowing actual costs. That is what I call parting easily with public money.

Let me say for the benefit of the Postmaster General (Mr. Mackasey), who I am sure agrees with me, that if our transportation system were treated, owned and operated as a public utility, if we eliminated nineteenth century concepts of competition and profitability and provided transportation service to meet the needs of Canada, all these figures, all these costs, would always be known to the government, parliament and the people of the country.

To use the words of the Minister of Transport, our transportation system is in a mess. The freight rate freeze was imposed for 18 months and the railways have received or will receive compensation of around $180 million for what they claim to be the losses they incurred as a result of the 18 months' freeze. Madam Speaker, lacking full access to railway costing data, the government must accept, again, company figures at face value.

What will happen when the freight rate freeze is lifted? Our people complain about freight rate inequities—anomalies is the polite word, but absurdities is better. The government will part with $180 million to compensate the railways for alleged losses incurred while their freight rates were frozen; in addition, the lifting of the freeze will mean that these same inequities, anomalies and absurdities will be compounded by 25 per cent as of March 1. I know, Madam Speaker, that you are interested, even if the Postmaster General is busy. The Minister of Labour (Mr. Munro) may be interested.

When you consider existing rates it is small wonder that provinces want costing information, and small wonder that we want it to be made public. Consider the rate for the shipment of iron and steel articles, not punched or drilled or bored. I am not sure if that applies to Liberal members of the House. To ship these articles from Hamilton, Ontario, to Vancouver costs $2.43 per hundred weight. To ship the same articles from Hamilton to Regina, costs $2.63 a hundred weight, or 20 cents more per hundred weight.

Mr. Alexander: Watch it!

Mr. Benjamin: Regina happens to be 1,200 miles closer to Hamilton than Vancouver is. We could even ship members of parliament from Hamilton out at cheaper rates.

Mr. Knowles (Winnipeg North Centre): Not the hon. member for Hamilton West (Mr. Alexander)!

Mr. Alexander: I am not disagreeing with your figures, but just watch it when you talk about Hamilton.

Mr. Benjamin: The rate to Saskatoon is $2.84. What have the railways against Saskatoon? The distance from Hamilton to Saskatoon is not much greater than the distance to Regina.

Let us talk about agreed charges, the rates arrived at between the railways and various corporations. The Minister of Transport has said that there is not much the government or the CTC can do about agreed charges because they result from contracts between the railways and corporations. Let us see what some of these agreed charges do to western Canada.

The rate for 75,000 pound carload lots of calcium chloride from Niagara Falls and Shawinigan, Quebec, to Vancouver, is $2.63 per hundredweight; the rate to Regina is $3.12 per hundredweight. That is an agreed charge, a charge which the minister cannot touch because it is

provided for under a contract. Now you can see why we support a railway costing bill.

I should like the CPR to tell parliament and the Minister of Transport how come they can collect 49 cents per hundredweight more for calcium chloride shipped to Regina, when Vancouver is 1,200 miles farther down the line. Furthermore, the railways need not go up and down all those mountains when shipping to Regina. Yet it costs 49 cents per hundredweight less to ship to Vancouver than to Regina.

Let us look at phosphates and sulphates. There is a fertilizer industry in western Canada. The rate for shipping 100,000 pound carload lots of phosphates and sulphates from Buckingham, Quebec, and Clarkson and Port Maitlan, Ontario, to Vancouver is $2.51 per hundredweight. The rate to Regina is $3.12, and to Saskatoon, $3.29. What have the railways against Saskatoon? What have they against Regina?

Let us see how these agreed charges affect consumers. The rate for 80,000 pound carload lots of corn oil, corn starch, corn sugar and corn syrup from Toronto to Vancouver is $2.20; to Regina, $2.17, which is three cents less than the rate to Vancouver, although Regina is 1,200 miles closer to Toronto, and to Saskatoon, $2.42. The distance from Toronto to Regina is about the same as the distance from Toronto to Saskatoon, give or take 20 or 40 miles of rail line.

Let me continue speaking about agreed charges. No wonder the people of western Canada and of the Atlantic provinces are upset after 90 years of discrimination, and betrayal of confederation by the national railroads; yet these birds opposite fight elections every time on the issue of national unity while they perpetuate discrimination in freight rates which make national unity a myth.

The agreed charge for 100,000 pound carload lots of canned foodstuffs from southern Ontario to Vancouver is $2.57 per hundredweight; to Saskatoon it is $2.75 per hundredweight. Madam Speaker, the Canadian National main line runs through the south side of Saskatoon, yet the rate is 18 cents per hundredweight higher to Saskatoon than it is to Vancouver. Let us look at the rate for packaged foodstuffs, including baking powder, macaroni, spaghetti, margarine, milk or cream substitutes, oils, rice, and other necessities. The rate for 80,000 pound carload lots from southern Ontario to Vancouver is $2.43 per hundredweight; to Regina, it is $2.71 per hundredweight, and Regina is 1,200 miles closer to southern Ontario. To Saskatoon the rate is $2.93 per hundredweight, and Saskatoon is as far from southern Ontario as Regina is. I am enjoying this.

Mr. Murta: I'm not.

Mr. Benjamin: I hope the Minister of Transport is angry about these rates, because then we can do something about them.

● (2220)

Let us look at the open tariffs on which the minister allowed the freeze to be lifted. The minister stated this only affected 22 per cent of the railway rates. That is true.

[Mr. Benjamin.]

However, it affected more than 22 per cent of the commodities the railways haul.

I now wish to deal with the inequities in different regions of Canada. Let us look, for example, at live cattle and dressed beef. There were announcements in Alberta and Saskatchewan of cutbacks and closures of meat packing and meat processing plants. These announcements were made last year as well as from January 1 this year. There is a perfectly good reason.

If I were the owner or operator of a meat packing or processing plant in western Canada, I would close it and build a new plant in Ontario or Montreal. It was bad enough during the freight rate freeze. It cost 91 cents a hundred more to ship a whole dressed beef hanging by its hocks from Saskatoon to Montreal, Ottawa or Toronto than to ship a live cow or steer.

The minister allowed the freeze to be lifted. The railways fought the CTC order in the courts, supported by the Minister of Justice (Mr. Lang). With a friend like that, the Minister of Transport (Mr. Marchand) does not need any enemies.

The rate increase was allowed. Instead of the differential being 91 cents a hundred between shipping live cattle and dressed beef from Saskatoon to Montreal, on March 1 the difference will be $1.17 per 100 pounds. I do not believe the railways can prove higher costs to ship dressed beef as compared to live cattle.

If the minister puts the requests properly and in sufficient detail, this railway costing bill will reveal that in the livestock, and meat packing and processing industry in western Canada, the railways have been robbing the people of that area.

For decades these rates have discriminated against the manufacturing industry and meat industry in western Canada without any justification other than "all that the traffic will bear". There is no significant competition. The shibboleth the Liberals and Tories abide by is competition and profitability. They got together and did us in some more.

The Edmonton *Journal* and the *Western Producer* of February 3 illustrate that it costs more to move 100 pounds of meat from Edmonton to Toronto than 100 pounds of live animal. After the 30 per cent increase, the differential will be $1.51 per 100 pounds.

The minister has made many statements about inequities and discrimination. We all agreed with them. How can he now sit back and refuse to extend that freeze? These inequities have been compounded. Surely the minister could have said to the railways that even if the freeze only affects 22 per cent of the rates, it will remain in effect until the legislation goes through parliament and the railways' costs have been examined to see whether they are justified. If the minister had done that, he would have done a favour to the packing industry in western Canada.

Burns and Company have been forced to cut their operations in half in Prince Albert because of freight rates. They make no bones about the fact that they would rather be operating with two plants in western Canada instead of five. Why? Because of freight rates.

The Minister of Transport has stated what he thinks our transportation should be in this country, yet he has allowed the minister in charge of the Canadian Wheat Board to make statements about transportation, If I were in the position of the Minister of Transport and one of my colleagues did that to me, I would punch him in the mouth.

The minister in charge of the wheat board stated the Crowsnest Pass rates should be reviewed. He made a number of speeches on the Crowsnest Pass agreement. However, in answer to the hon. member for Lisgar, the Minister of Transport assured him he need not worry, that that item is not being reviewed. I would like to know who is correct on this, the Minister of Transport or the minister in charge of the wheat board. Who is calling the shots on this?

I said at the beginning of my remarks that I do not think the Minister of Transport has the support and co-operation of his colleagues in cabinet and caucus. He is almost alone trying to win the battle of transportation, a battle Canadians have been trying to win for the past 90 years. One of the minister's colleagues is trying to cut not only his throat but the throats of all Canadians.

In the throne speech of last September a long section was devoted to transportation. It stated:

Transportation must be an instrument of national purpose, designed to achieve broad social and economic objectives.

That is a beautiful quote. I could not have written it better myself. It continued:

The government does not believe the principles underlying the present transportation system or its methods of management and operation are adequate to meet current and future national aspirations.

Not even the NDP could have put a better line in the throne speech than that. What has happened since? We got a small beginning. I hope the minister will introduce some minor amendments to this bill. Commitments and promises were made by the Prime Minister, the minister, and their predecessors, including the right hon. member for Prince Albert (Mr. Diefenbaker) when he was Prime Minister. Most of this is not new. We have had it *ad nauseam* year in and year out.

I still believe the Minister of Transport is genuinely sincere about this. I am sorry he was not able to bring in this bill sooner. It is very short. There is not much to it. We have been waiting for this bill for 20 months. I can only assume it was not brought in sooner because the minister's colleagues in cabinet and caucus objected. The minister had a great deal of difficulty persuading them to bring this forward, if for no other reason than to honour a commitment made before and since WEOC.

I say to the Minister of Transport that I will support him when it comes to the Crowsnest Pass rates. As far as I am concerned, the minister in charge of the wheat board would have a better chance trying to amend the Ten Commandments than changing the Crowsnest Pass rates.

I have never believed the railroads' claim with regard to their losses in hauling grain. They have never put a figure on those losses. We have never been given the cost to move a bushel of grain from point A to point B, yet we are expected to believe them. I believe that in this field the unit cost of moving grain has been cut in half in the last ten to 15 years. We need this bill to prove that the railways are not losing the kind of money they claim they are losing on the Crowsnest Pass rates. That is why the provinces of western Canada are asking for this information, whether the CTC already has it or not.

I should like to say a word here about rapeseed and rapeseed products. I am not sure what disclosure may do to encourage the government to reach a decision on these items. When one considers the freight rates charged on rapeseed and rapeseed oil one cannot help wonder why it is taking so long to determine this matter.

● (2230)

When the Minister of Transport was asked why the cabinet had not made up its mind on the rapeseed question he said, "That is Otto Lang's baby." Well, it seems to have been an abortion. The minister in charge of the Wheat Board says he is not sure whether anything will be done this year, even though the matter has already been under consideration for a year. According to the Minister of Transport, it is the Minister of Justices' baby, and he cannot get off the hook lightly. I know he has assumed prerogatives which belong to the Minister of Transport, sounding off with policy announcements and making statements he has no right to make. I can only assume he is doing this without the knowledge of the Minister of Transport; I would hate to think the minister agrees with his suggestions.

One rapeseed mill has already been sold because of the delay in reaching a decision. The minister in charge of the Wheat Board says he is not sure whether he can get this matter settled in cabinet before the end of the year. If the Minister of Transport feels the bill before us would help him by giving him more authority, I am all for it. I hope that once he is armed with these powers he will not be in a hurry to review the Crowsnest Pass rates. I urge, too, that there should be no delay in reaching a decision with regard to rapeseed rates. We want information as to the cost not only of moving people and commodities but the cost with regard to the operational portions of the branch lines and particular sections of the main lines, because I do not believe the figures already offered.

I believe the minister should invite experts from outside, from the provinces, to help him in reviewing these costs. I should like him to invite experts from other countries to take a careful look at what the railroads here claim to be their costs. It is my belief that some of those costs are based on trackage which was written off 50 years ago. There are still rails in use which were put down in 1910. I should like to know all these costs. So would the provinces. So would the Minister of Transport. I hope the minister will move a couple of amendments in committee.

We shall deal with the matter quickly because the provinces are ready to make their requests, but in the meantime I trust the government will hold the line with regard to freight rate increases which would further magnify the inequities in the structure. We shall support the legislation, but much more is needed and we hope the government will not be slow in taking action accordingly.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Madam Speaker, further to the agreement reached today on Bill C-48 by the

leaders of the various parties represented in the House, I should like first of all to assure Your Honour and my colleagues that we will respect this agreement and that I shall limit my remarks to the strict minimum.

With regard to the comments of the Minister of Transport (Mr. Marchand) broadcast last night with regard to the present disturbing economic situation in Canada, and more particularly in the province of Quebec, which situation will continue to worsen through 1975, we better understand the purpose the government wishes to achieve through Bill C-48.

Still, it is time authority should manifest itself in Canada that the people might be reassured and that order might reign in our country, that the monetary capital might serve the human capital and that those two forms of capital might work together towards the economic development of our country.

Madam Speaker, I often regretted that in our country we have governments that are strong in front of the weak, governments that do not hesitate to smother the weak with taxes of all kinds, that force the little people to respect law and order. On the other hand, we have seen weak governments in front of the strong, governments that in turn are defeated by the big and powerful.

It is high time that taxpayers be in a position to know what it costs in such and such a sector to ensure essential services to the public and that without waste.

I also understood that Bill C-48 is an instrument, a very valuable tool, providing we are willing to use it, put into the hands of a minister, a cabinet, so that the large companies, in this context, the railway companies, respect our country's laws and give accounts.

● (2240)

Year after year, Parliament votes credits to subsidize this transportation system which often operates at a loss without submitting a detailed account of its administration to Parliament. Are the taxpayers' dollars used to the best advantage of all? That is what I have asked myself. Are Canadians receiving reasonable transportation services for their tax dollar?

Now, the purpose of Bill C-48 was to disclose the profits and expenditures of the CNR for the whole country, and not only for one part, be it Eastern or Western Canada. Formerly, Madam Chairman, expenditures and revenues were not disclosed to the public. This bill will make the rendering of accounts and the disclosure of expenses and revenues to the public in general mandatory, so that they may have a clear view of this situation and that they might receive proportional return for their contribution to the maintenance of these public services.

The provinces rightly requested information from the Minister of Transport (Mr. Marchand) and the federal cabinet, through the Canadian Transport Commission. The CTC, with all respect due the commissioners, has not always clearly met the taxpayers' demands. We have here another high-minded commission flying way above the people's representatives and ministers, not giving a heck about anybody, making decisions as they see fit without answering to Parliament for their administration. I hope under this bill we will at least have reports and see exactly what goes on in the field of transportation. As the Minister of Transport aptly said, clause 331.1 only requires companies to give what the right hon. Prime Minister (Mr. Trudeau) already mentioned at a western provinces' conference. If through an act of Parliament the wish expressed by the Prime Minister of our country is translated into action, we will be in a position to say one conference at least gave results and the Canadian taxpayers can be proud of it.

Public information on railway costs has long been overdue, whether from CN or CP. We are entitled to know exactly what we pay for. Whether the cost is too high or too low is for the taxpayer to tell, when the figures are published.

Clause 331.2 provides the minister may require and publish cost information. I support this. For once we perceive the government has the strength and courage to require public information from these big corporations. For this reason, I wholeheartedly support Bill C-48 introduced by the government, and feel convinced my colleagues will surely follow suit when they have had an opportunity to get more detailed knowledge of it.

In section 331.3, according to what the minister said a while ago, we are advised that it will not be possible to publish cost information until it is released to all the Ministers of Transport, both federal and provincial. But it is quite normal that the companies operating under national or provincial legislations should report to the government, to the minister responsible for their respective operations, before having their reports made public, so that the minister may check the information, and get to the bottom of things, as the President of France, the great General de Gaulle, used to say. He has given the world a piece of advice we should never forget. We, as members of Parliament, should be inspired by it: to get to the bottom of things. We should closely check on whatever happens in any given area without acting silly. When we are asked to give information, we should be able to give it out.

I think that, under section 331, the minister will at least have the satisfaction of being able to get the required information and then to pass it on to the public. I think this is the way it should be. I know this is not the second reading debate and that it should not be a clause by clause discussion of the bill, but in this I take example after the Minister of Transport who just explained the fundamentals of this bill. He said its purpose was to make sure the demands of the minister would be obeyed by the railways; through this bill the minister will have the power to make investigations, call witnesses to clear up the issue. Madam Speaker, if there is a minister with enough courage to present such a bill and insist that all this transport issue be fully aired, then I will gladly and vigourously endorse such a bill, if for no other reason than to shed light on the subject.

Finally, whenever provinces request it, the minister wants to have information on the transportation costs in both western and eastern Canada, in order to compare railway costs to those for water, air, or land transportation.

God knows, Madam Speaker, how many discussions have taken place over the last few years over the issue of feed grain transportation from Western to Eastern

Canada. The Eastern farmers were asked to believe that if to get the same grade of feed grains they had to pay higher prices than the Western farmers, it was because of transportation costs from the West to the East, even though Parliament had passed legislation providing for a grant to compensate for this price differential. Of course, that grant did not always provide a fair compensation, but at least it was available and its aim was to establish a reasonable balance between production costs for Western feed grains and Eastern grains.

● (2250)

Unfortunately, Madam Speaker, as representatives in this Parliament, I and several of my colleagues did not always get the necessary information to be able to ascertain whether the subsidy did reflect the difference in prices, with the effect of giving eastern and western farmers equal chances.

If this bill is a means of obtaining information, as the Minister of Transport (Mr. Marchand) said earlier, while another act is still to come later, then we shall be in a position to use Bill C-48 to clear up a lot of questions which might be of some concern not only to Members of Parliament but also to taxpayers and those in the production business, whether in the furniture industry or in the production of pork, eggs, poultry or dairy products which have to travel throughout the country. If this bill can enable us to force transportation companies to provide Parliament with real information on the cost of transportation, on the revenues accrued, and we eventually manage to determine whether there really are profits or losses, I think it will have been worth waiting a little bit later tonight to pass this bill and let it become a reality as soon as possible so as to enable the Minister of Transport to give us more information.

I trust that the Minister of Transport will be honest and another bill will be introduced in the House. Hon. members will then be able to inquire deeper into the activities of railway companies and the effective cost to taxpayers of this public service which is essential for the development of our country.

Madam Speaker, I have always considered that railway transportation services are a must for our country as a whole and that Canadian people are willing to assume the costs of that transportation provided it benefits the development of our industries throughout Canada and they do not have to pay twice as much for a service that can be obtained at a lower cost.

I therefore commend Bill C-48 with all my heart.

[*English*]

Mr. Leonard C. Jones (Moncton): Madam Speaker, I suppose at this hour of the night I should give the benediction, the blessing, and go home; but that is not quite all. Certainly Bill C-48, on reading it, is self-explanatory. After all I have heard tonight, in the interests of fairness, time and expediency, I do not intend at this time to pass judgment on the Minister of Transport (Mr. Marchand) or his department.

Certainly the matter of disclosure by the railway companies is a serious business. They are public utilities and their costs of operations should be public knowledge. Certainly the bill should go further and I trust that the committee will cause amendments to be made to make it more forceful and meaningful, and report it back to this House forthwith.

This question of transportation is of the utmost importance in the minds of all Canadians, including those in this House. The government must get on the right track, and get off cloud nine. I come from a railroad town and I know some of the problems in transportation at first hand. The transportation problems in our country must be given priority of solution. This is a most essential prerequisite of our confederation, and the survival of our economy and our people depends in large part on straightening out the transportation system, once and for all, so we can then proceed to achieve greater heights in confederation, in unifying our country, and in eliminating regional disparities.

We must have a policy and a plan, and we must be prepared to follow that policy and that plan. Transportation must be treated as a service to the public, not as a business. Until we realize that philosophy as the basis of policies to be drafted in respect of transportation, we will never really correct the difficulties. I am sure that we, in this House of Commons at this session, can straighten out most of those problems.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport and Communications.

The Acting Speaker (Mrs. Morin): Pursuant to an order made earlier today, this House stands adjourned until tomorrow at two o'clock.

At 11 p.m. the House adjourned, without question put, pursuant to Special Order.

HOUSE OF COMMONS

Wednesday, February 19, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. STANFIELD—RIGHT OF HOUSE OF COMMONS TO CONTROL SUPPLY—PROCEDURE FOLLOWED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege concerning what I think is the most ancient privilege of the House of Commons under our parliamentary system, the right of the House of Commons to control supply. It might be said that that right is more than a privilege; it is the *raison d'être* of the House of Commons. Without that right, we do not have a parliamentary system.

Some hon. Members: Hear, hear!

Mr. Stanfield: Under the present Standing Orders which govern the examination of estimates and the voting of supply, in view of the rulings of the Chair on the interpretation of those Standing Orders and the pressures on standing committees when they are considering the estimates, as well as the utter impotence of the House of Commons at the report stage of the estimates—except if the government is in a minority position—the House must reject expenditures which are in the public interest in order to reject expenditures which are considered to be not in the public interest. But even when the government is in a minority position there is no way, under the existing rules as interpreted, for the House to reduce or to eliminate expenditures not considered to be in the public good, except by eliminating those which are considered to be in the public good. Due to these fetters on the House of Commons, we are not far from the point when we will no longer have a responsible House of Commons in a parliamentary system.

Today, I believe, the President of the Treasury Board (Mr. Chrétien) will lay before the House the main estimates of the government for the next fiscal year. These estimates will later be supplemented by supplementary estimates. The estimates, including supplementaries, will probably exceed $30 billion. After an examination which would be farcical if it were not tragic in its implications for this House and the Canadian people, those estimates involving that vast supply of money will be voted to the disposal of the government, perhaps without being reduced by one dollar or even one cent. This futile exercise will have served only to hold up the examination of the government's legislative program by this House and its committees.

The government leader of the House has already conceded—graciously, I might add—that the procedures of the House dealing with supply are unsatisfactory, but no concrete action has been taken to correct this. Once again the estimates will be presented in the House and we will have to deal with them with unsatisfactory procedures which leave the House impotent. I realize that the minister may refer this question, with others, to the Standing Committee on Procedure and Organization, but that has not yet been done. The motion has not been brought forward and no report that committee makes to remedy our supply procedure with regard to estimates can be brought forward and adopted by this House in time to apply to the consideration of the 1975-76 estimates.

I submit it is essential that we have an ad hoc pro tem remedy for this predicament, for this loss of our ancient privileges. If you agree, Mr. Speaker, that I have a question of privilege, I would move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That the Standing Committee on Procedure and Organization be authorized to meet forthwith to consider, report upon and recommend a sessional order that will allow debate, amendment, and vote by the House with respect to a selected number of estimates in the main estimates for 1975-76 or upon any portion of each estimate so selected; and that the committee report back with its recommended sessional order within ten days from the adoption of this order.

● (1410)

Mr. Speaker: The Leader of the Opposition (Mr. Stanfield) was good enough to give the Chair notice of his intention to raise this question of privilege. He indicated only that it related to the examination of the estimates, without giving the detail contained in the motion. Hon. members frequently raise grievances questioning the opportunity of members, under the existing Standing Orders of the House, to put questions in the question period, to receive answers to questions in writing, to debate or amend and, now, to examine the estimates. These are all very important grievances.

This grievance relates to the examination of the estimates. As the Leader of the Opposition has said, it is without question parliament's most important function to examine the spending power of the government of the day. As important as the grievance may be, and as valid and as widespread as the support may be for the grievance or the concern about the status of this House to examine the estimates, the fact is that this status has been arrived at by a series of agreements and amendments to the Standing Orders in the orderly and regular process of establishing the Standing Orders of the House.

While there may be legitimate cause for concern and, indeed, complaint as long as the procedures conform to the Standing Orders, I am not in a position to say that procedures which conform completely to the Standing Orders of this House can in any way constitute a question of privilege.

[*Translation*]

MAIN ESTIMATES, 1975-76

EXPLANATORY STATEMENT BY THE PRESIDENT OF THE TREASURY BOARD

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1976, was presented by Hon. Jean Chrétien (President of the Treasury Board) and read by Mr. Speaker to the House.

[*English*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the main estimates which I have just tabled contain $28.2 billion in budgetary items and $1.3 billion in loans.

Some hon. Members: Shame.

Mr. Chrétien: What is wrong?

Some hon. Members: Hear, hear!

Mr. Chrétien: The loans are at about the same level as they were last year, but the budgetary total is $6.2 billion greater. The growth is largely related to the inflation that has affected the world and to the steps the government has taken to counter some of its effects on Canadians. The most significant single step, in dollar terms, is our $1.3 billion program to subsidize consumer prices of products of the oil industry. But the total increase in other transfer payments to aid Canadians has been even larger, about $1.9 billion. Some of these payments go in the first instance to the provinces, such as hospital and medicare payments, and some go to individuals, such as family allowance payments.

Then, of course, the estimates reflect the growth in the operating costs of departments—Post Office, Transport, Defence and all the others—which unfortunately enjoy no exemption from inflation or the need to service a growing population.

[*Translation*]

Hon. members will surely remember that when he brought down the budget last fall, the Minister of Finance (Mr. Turner) foresaw budgetary expenditures of about $28,750 million for 1975-76. Taking into account the funds that were not spent, that is the difference between estimated and real expenditures, I believe I shall be in a position to introduce supplementary expenditures of some $1,200 million during the year, without exceeding the total expenditures forecast by the Minister of Finance.

The Minister of Finance stated in November last that government outlays, in terms of budgetary expenditures, costs, old age security and guaranteed income supplement, will probably increase by 15 per cent during the financial year 1975-76. That rate of increase would therefore be considerably less than that he expected for 1974-75, namely 25 per cent. We are determined to maintain a rate of increase of about 15 per cent, unless, of course, exceptional circumstances arise. Some could occur similar to those which forced us to pay very high indemnities for oil products; this considerably increased our expenditures this year.

[Mr. Speaker.]

[*English*]

The government is again publishing a booklet entitled "How Your Tax Dollar is Spent" to explain many aspects of the main estimates. This year we are providing much more information in this booklet on the details of government spending.

Some hon. Members: Hear, hear!

Mr. Chrétien: Because of this, members of parliament and the general public should be able to see more readily the immense variety of demands made upon the federal government. They also may gain a better appreciation of the difficult choices which always have to be made in attempting to meet all these demands.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, before I comment on the statement which has just been made, I wish to thank the President of the Treasury Board (Mr. Chrétien) for his courtesy to the opposition in sending them copies of this document and to compliment him on his continuing habit of sharing bad news with everybody in the House of Commons.

My hon. friend, the Leader of the Opposition (Mr. Stanfield), called attention today to the difficulty which parliament experiences with respect to controlling supply. We rise again to protest because government spending seems to have taken on a life of its own, much like the sucker that shoots from the side of a tree. This year the gardener promised to begin pruning and he promised that his shears would be sharp. Well, Mr. Speaker, the only thing sharp about the President of the Treasury Board's pruning of the estimates is his practice of telling parliament and the people that government spending will be moderated, when in fact he has permitted that spending to increase by $6.2 billion or 28 per cent over the main estimates of last year.

What kind of moderation is 28 per cent? What kind of example is the government setting? The 1975-76 main estimates propose budgetary expenditures of $28.2 billion. This is $6.2 billion, or 28 per cent, more than the 1974-75 main estimates. It is $2.8 billion, or 11 per cent, above the forecast expenditures for 1974-75, taking into account approved and expected 1974-75 supplementary estimates.

● (1420)

If you add the expected 1975-76 supplementary estimates in accordance with the statement of the Minister of Finance (Mr. Turner) in his budget of November, 1974, the increase in 1975-76 expenditures over those for 1974-75 is 15 per cent. This will make the percentage increase between those two years appear smaller, but only because the new Supplementary Estimates (D) will make the percentage increase from fiscal year 1973-74 to fiscal year 1974-75 larger than it is now. This government has acquired the habit of spreading various estimates over the fiscal year. How many supplementaries are expected this year? That is a question that ought to be answered. By how much money will they raise the expenditure planned in the main estimates?

We will be examining in detail the expenditures of each department, but speaking generally we note from examining the objects of expenditure columns that there is little evidence of restraint or even attempted restraint. We note

that man-years are scheduled to increase by over 11,000. That is hardly evidence of restraint in hiring. We note that the fees for professional and special services will increase by $100 million, which is evidence of complete disregard for restraint on the part of the President of the Treasury Board. They will increase from $780 million to $982 million this year.

In conclusion, Mr. Speaker, we in the opposition demand three things from the President of the Treasury Board. First, he must assure the House that when supplementary estimates come to the House they reflect expenditures that could not have been foreseen and are not just the expansion of existing programs. Second, he must justify, in detail, increases in manpower and in consultants' fees. Third, he must specify what impact on inflation, what impact on interest rates and the money supply, and what impact on Canadian attitudes toward restraint these increases will have.

Parliament and the Canadian people must know whether this government believes that these increases in government spending will be of small economic impact or whether they are merely evidence that this government, which has promised restraint, has at long last admitted it has lost control completely. We look forward to the examination of these estimates, Mr. Speaker.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for Grenville-Carleton (Mr. Baker), I thank the President of the Treasury Board (Mr. Chrétien) for locking us in his office between one and two o'clock this afternoon so we could take a broad look at the estimates that he has tabled today and at the various statements and press announcements he has now released.

I think the first thing to be said about estimates of this magnitude—it needs to be said to my friends to the right, as well as to the country as a whole—is that civilization costs money. If we are going to build a decent civilization for the human beings who live in this country, we may have to spend even more than the amount in these estimates. We do not go along with the line that every time there is a proposal for government expenditure, it is a case of waste and carelessness.

We are concerned when there is waste and we want the estimates to be examined carefully. I hope that as a result of the motion on the order paper in the name of the President of the Privy Council (Mr. Sharp) calling for the Standing Committee on Procedure and Organization to review our procedures, we will be able to do something this session about the way we are dealing with supply and expenditures.

However, Mr. Speaker, I think the more important matter for us in this House to consider today is that taxation and the spending of money by governments is not just a bookkeeping operation, not just taking in money and passing it out, but is an attempt to distribute the jobs and the wealth of this country in a way that will meet this nation's problems, in a way that will meet the problems of our people.

In one of the press releases the minister gave us today in his office but which he did not read into the record there appears this paragraph:

Main Estimates

The broad theme underlying planned expenditures for economic development and support in 1975-76 continues to be that of encouraging stable and balanced growth of the national economy—

Listen to these words:

—and a more equitable distribution of income and employment throughout Canada.

Those are wonderful words, but they are hollow when they come from this government. This is a government that at the present time, in the face of 800,000 persons being unemployed, shows nothing but complacency toward that disaster. This is a government which this very week is engaging in conferences with the provincial welfare ministers regarding a guaranteed annual income plan. In the early part of 1973 such a proposal was put before this House and we and the provincial governments were led to believe that the first steps toward implementing that plan would be taken some time in 1975. But this week the provincial ministers of welfare are being told that the plan is at least 2½ years down the road.

An hon. Member: Just before the next election.

Mr. Knowles (Winnipeg North Centre): One of my colleagues in the back says, "Just before the next election." More than six million people are affected by this situation. I suggest that we are prepared to take the minister's words as a test to apply to the government. Are its policies aimed at a more equitable distribution of income and employment throughout Canada? We say that on the basis of that test, this government is failing miserably. And my friends to the right, if they were to follow the line we have heard from them today, would fail even more miserably.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): We thank the minister for having given us a preview of the estimates. I suppose I would not be revealing a secret if I said that in his office the minister suggested the hon. member for Grenville-Carleton would want to cut down on expenditures, and that I would ask for more money to be put into our economy. That is only a recognition of the fact that civilization does cost money; that we are going to establish an equitable distribution of employment and income in this country only when we really address ourselves to the problem. This has not been done by the Minister of Finance (Mr. Turner) in his taxation policies or by the President of the Treasury Board in his spending policies. Equitable distribution of income and employment is a goal we must still pursue.

Some hon. Members: Hear, hear!

● (1430)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, at the time of the budget speech, on November 18, 1974, the Minister of Finance (Mr. Turner) presented the House with estimates that had been prepared by officials of various departments and which gave a general idea of the economic and financial situation in the country. Today, however, the President of the Treasury Board (Mr. Chrétien) advises us that the estimates will involve additional

outlays of $1.2 billion to give the country the services and the administration Canadians need. But when we examine in committee the expenditure made by the various departments, we realize there would be ways of reducing them in many cases and using the money in other fields to render greater service to the population.

The minister's statement and the covering document outlined the main measures contained in the budget. We can see that 27.8 per cent of a budget of $28,242 million are spent for health and welfare. It is quite natural because all the efforts of a country, a family or an individual are aimed at protecting health, and at meeting physical needs. It is quite natural that a high percentage of the expenditures be earmarked for health and welfare.

There is a second item which also takes an important part in the budget, namely economic expansion and support. I do agree that efforts must be made in this area but I ask the government, the cabinet and the President of the Treasury Board to consider the matter seriously before the subsidies which have been granted to big corporations are paid to see if the millions of dollars Canadians pay to expand or maintain their industries are really productive and create employment. If necessary, we should make comprehensive inquiries to see if money has been wasted and to prevent this from becoming scandals.

A third item that is also very important is the public debt. I think we could speak about it two days and two nights, and there would be more to be said.

An hon. Member: Two months.

Mr. Lambert (Bellechasse): Yes, for two months more. It is an important item. It is ridiculous to see how this item is considered as sacred. No one is able, in the existing system, to reduce it. We can discuss the others, but not this one. It is untouchable, it is more sacred than God himself.

I think that our financing system in the public sector could be modified by making greater use of the institutions at our disposal, if only one act were changed—the Bank of Canada Act—so that the government can ask this institution, which we really own, to provide the public sector with the credits it needs at an interest rate covering administration costs only.

After all, Mr. Speaker, what is a monetary system? I always thought it had to be a service, like the postal service, for instance. The monetary system must also be a service. It must be under government control and adjusted to the needs of the people. The day we stop allowing the tradesmen of the nation's credit to get richer because they have the privilege of making as many loans and deposits as they want under legislation that was enacted by parliament, but which should be amended, we will be able to lower the cost of servicing the debt. These billion dollars can be used to provide better services, to finance, for example, local initiatives programs. Every day people ask that their projects be accepted because they want to work. It would not cost one cent more to Canadians, nor to the government. The Minister of Manpower and Immigration would be very happy to approve more projects and Canadians would be happy to be able to earn their living.

[Mr. Lambert (Bellechasse).]

[*English*]

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, before finally moving on to other business, may I make an announcement about the disposition of the estimates and ask whether the House might agree to a procedure that would assist the Leader of the Opposition and myself in having a look at the rules of the House in relation to the estimates.

First of all, the motion of reference of the estimates will be made by Monday so that the examination can begin. I wonder whether the House will be disposed to pass now, without any debate, government order No. 10 which appears under Government Business. I would point out that that particular motion does provide for a temporary as well as a permanent change in the rules. It would enable the committee to deal immediately with this and other suggestions.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I am very worried about the procedure that has been proposed by the government leader. My worries and fears are that if the opportunity is not given to all members of parliament, not just the House leaders and not just the party leaders but all members of parliament in their capacity as members of parliament, to debate and discuss questions of procedure, then the amendments that would be proposed could be restrictive and not encompass the views of many members of the House who have been here a long time and who have every right to make an input.

Having said that, I want to say that we are quite prepared, if that is the case, to enter into a debate with respect to those matters immediately. I might remind you, Mr. Speaker, that that matter has been kicking around on the Order Paper for some time, that a tour of the Mother of Parliaments has taken place, that other members have studied and read on that matter, and that all members, and particularly members of the opposition, are anxious to have those changes. If the government House leader is also anxious to have those changes, let him bring them about in a way that is not restrictive of the rights of parliament.

Some hon. Members: Hear, hear!

Mr. Speaker: I assume that the matter can only be dealt with upon unanimous consent. I take it that it is not necessary to ask whether there is unanimous consent.

Mr. McGrath: I should like to raise a point regarding the point of order before this matter is settled. I do not think it is asking too much to ask for an assurance from the government House leader—

Mr. Speaker: Order, please. In fairness, because the President of the Privy Council had made what could be construed as a comment when he put the suggestion forward, I felt it proper to allow the hon. member for Grenville-Carleton (Mr. Baker) to make a comment in response. The fact of the matter is that the President of the Privy Council was seeking something that could only be done by unanimous consent. If there is unanimous consent, it could be done now; if there is not, it would not be in order to debate the matter. In fairness, having allowed comments on both sides, I cannot let the matter go

any further because it cannot be debated without unanimous consent.

* * *

● (1440)

[*Translation*]

PRIVILEGE

MR. TRUDEL—FAILURE OF EMPLOYEES IN MONTREAL UNEMPLOYMENT INSURANCE OFFICES TO COMMUNICATE IN BOTH OFFICIAL LANGUAGES

Mr. Jacques-L. Trudel (Montreal-Bourassa): Mr. Speaker, I rise on a question of privilege.

Many federal employees are now denying some members of this House the services to which they are entitled, especially the manpower and immigration office in Montreal. Our secretaries try to obtain information for themselves or for the members, but it is denied to them when they ask in either language.

When a French-speaking individual applies to those offices and the employee is English-speaking, the information is denied to him. When English-speaking individuals make inquiries, they are turned away just as we are and just as are those who were asked to inquire.

Not only do I consider the situation is very serious, but I think we should refer the problem to the Committee on Privileges and Elections so as to settle once for all this matter which prevents people and members from obtaining services. I therefore ask you, Mr. Speaker, to defer immediately the matter to the Committee on Privileges and Elections so that we may know how to deal with it.

[*English*]

Mr. Rod Blaker (Lachine-Lakeshore): Mr. Speaker, I rise to support, as strongly as I can the representations made by the hon. member for Montreal-Bourassa (Mr. Trudel). I would argue seriously and sincerely that he has a valid question of privilege. If at any time I, as a member of parliament, am denied the right to address citizens in Montreal in the language of my choice, I submit that I am handicapped in performing my functions properly and to the best of my ability.

Some hon. Members: Hear, Hear!

Mr. Blaker: The procedure currently under discussion in the House—that is the representation made by the hon. member for Montreal-Bourassa as a question of privilege—may be an awkward one to consider although I would argue it is a valid question. I think the underlying point should be made that we members of parliament from Montreal have certain responsibilities with respect to assuring our constituents, whether they be French or English, that there is an official policy on bilingualism and that the federal government stands for bilingualism.

Some hon. Members: Hear, hear!

Mr. Blaker: It seems to me that, short of a motion under Standing Order 43, there is no way in which such individuals as the Acting Prime Minister, the Minister of Manpower and Immigration (Mr. Andras) or the President

Main Estimates

of the Treasury Board (Mr. Chrétien) may wish to assure this House that all members of parliament and indirectly through them, all members of the population, have access to the language of their choice when dealing with the federal civil service.

Some hon. Members: Hear, hear!

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I fully appreciate the concern expressed by hon. members. Although this is a matter of personnel policy under the direction and mandate of the President of the Treasury Board (Mr. Chrétien), it happens that organizations under my direction have been involved in this situation. I want to assure the House that it is government policy and the policy of the Department of Manpower and Immigration and the Unemployment Insurance Commission to provide service to the public in both official languages and that in the offices—

Mr. Fairweather: That is the law.

Mr. Andras: —under discussion there are bilingual people designated as such whose job and responsibility is to provide service in either of the two official languages. Any failure or refusal to do so by any individual is completely unauthorized.

An hon. Member: Fire them!

Mr. Andras: Where such failure has been established we are prepared to take disciplinary action.

An hon. Member: Fire them!

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on the same question of privilege. At about a quarter to two this afternoon, my office was in communication with the Unemployment Insurance Commission office located at 7510 Viau Street, Montreal and was advised by the person who answered the telephone that the entire staff was refusing to speak the English language until they were paid additional money by the President of the Treasury Board (Mr. Chrétien). I think, Mr. Speaker, as hon. members opposite have said, that this is an infringement on the rights of members of parliament who attempt to get information from the UIC. It is also an affront to the Canadian public who, by virtue of the Official Languages Act, have a right to expect to be addressed in both languages when calling offices in areas designated as bilingual.

In bringing bilingualism to this country, the government has made much of the fact that they were in favour of bilingualism, so I am sure they will agree that this matter should be dealt with speedily by this House in order that those offices not rendering proper service in both languages in designated bilingual districts can be immediately dealt with. If employees refuse to offer those services to the Canadian public, they should be disciplined immediately by the Minister of Manpower and Immigration (Mr. Andras).

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I have instructed the officials in my department to inquire into that subject. If officials work-

ing in any department do not comply with the acts of the Parliament of Canada, they will be suspended for their acts.

[*English*]

Mr. Speaker: Order, please. I presume no other member wishes to contribute to this point. It raises, of course, a most serious question. It is not identical to, but is associated with, the other very difficult question of privilege raised by the hon. member for Laprairie (Mr. Watson) regarding the functioning of members outside this House of Commons, this chamber, and interferences with their capacity to operate in areas of this sort. As hon. members will know, by its very nature it raises an extension of the traditional position that has been taken regarding questions of privilege. I am examining the precedents carefully in respect of the alleged question of privilege of the hon. member for Laprairie, and I would propose to do the same with respect to this question of privilege and, as soon as possible, rule on the validity of both at the same time.

MR. REID—ATTENDANCE OF MEMBERS OF HOUSE OF COMMONS BEFORE SENATE COMMITTEES

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I rise on a question of privilege which affects the rights of all members of the House. Unfortunately the matter only came to my knowledge a short time ago. I should like to raise the matter now with the possibility of arguing it more fully tomorrow. The question of privilege which concerns me is the matter of members of this House of Commons appearing before committees of the other place to make presentations to them on legislation which has gone through the stages of consideration in this House. I understand that there are procedures and traditions of the House that mitigate against this happening. I should like to develop my argument about this more fully tomorrow.

An hon. Member: Who put you up to that, John?

An hon. Member: Can't you leave Herb alone?

Mr. Lawrence: The only answer is to get appointed there.

Mr. Speaker: Order, please. Motions.

* * *

[*Translation*]

AGRICULTURE

SUGGESTED COMMITTEE STUDY PROBLEM OF BINDER TWINE SHORTAGE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise under the terms of Standing Order 43 to request unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the great difficulties experienced last year by farmers to get binder twine, and this even at exorbitant prices, and in view of the fact that sizeable quantity of hay could not be harvested and that there is a current shortage of feed with the result that cattle wintering costs have risen sharply, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House instruct the Standing Committee on Agriculture to study without delay what are the steps to take to ensure the supply of binder twine in proper time and avoid speculation by unscrupulous profiteers.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the terms of Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is no unanimous consent, the motion cannot be put.

* * *

● (1450)

[*English*]

VETERANS AFFAIRS

SUGGESTED INCREASE IN PENSIONS OF HONG KONG VETERANS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under the provisions of Standing Order 43. I am sure that many hon. members will agree with me that the difficulties being faced by Hong Kong veterans—and I mention also when added to the premature deaths of many of them—make this a matter of urgent and pressing necessity. I trust that those on the government side, some of whom know about the motion, will agree to it.

I therefore move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That the Minister of Veterans Affairs be asked to make a statement to the House, at an early date, indicating the intention of the government with respect to the unanimous request of the Standing Committee on Veterans Affairs, made on October 22, 1974, that the disability pensions of all Hong Kong veterans who are out of the labour market be increased to 100 per cent.

Mr. Speaker: The House has heard the terms of the motion being proposed. Pursuant to Standing Order 43, it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

BILINGUALISM

ALLEGED REFUSAL OF EMPLOYEES OF MONTREAL UNEMPLOYMENT INSURANCE OFFICE TO SPEAK BOTH OFFICIAL LANGUAGES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to seek leave to propose a motion under the provisions of Standing Order 43. I feel it should have the unanimous support of all members, especially of those on the government side who have continually expressed their sincerity in wishing to enforce the provisions of the Official Languages Act.

I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That in view of the fact that certain unemployment insurance commission offices in the city of Montreal, including specifically the one serving northeast Montreal at 7510 Viau Street, are refusing to speak both official languages to claimants and the general public, the House requests immediate government action to enforce the provisions of the Official Languages Act requiring services in both languages and that those refusing to serve the public in both languages should be immediately disciplined following this illegal action.

Mr. Speaker: The House has heard the terms of the motion being proposed. Pursuant to Standing Order 43 it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The Liberals said no.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

* * *

[*Translation*]

AGRICULTURE

REQUEST FOR ASSISTANCE TO PRODUCERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I rise pursuant to Standing Order 43 to seek the consent of the House to move a motion in a case of urgent and pressing necessity.

Since agricultural producers face unbearable prices concerning costs of production such as hay, for instance, whose unprecedented price has risen to $100 a ton, and since the Department of Agriculture does not seem to be able to cope with the serious situation we face and offers no short-term solution to avoid the bankruptcies and the massive exodus that we witness every day, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House open discussion on the serious problems now facing Canadian agriculture in order to bring immediate compensation and provide our farmers with the assistance they urgently need, including all the necessary information concerning the difficult decisions and choices they will have to make this year.

Mr. Speaker: The House has heard the hon. member's motion. This motion, proposed under the terms of Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the hon. member's motion cannot be put.

* * *

SOCIAL SECURITY

PROPOSED INTRODUCTION OF GUARANTEED ANNUAL INCOME—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity to request unanimous consent to introduce an important motion, surely of the utmost interest to all members and the Canadian people.

I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House recommend detailed study of the guaranteed minimum yearly income program, as proposed by the Social Credit Party of Canada, in order to help the Minister of National Health and Welfare (Mr. Lalonde) in the submission to the provinces of a more appropriate and more adequate plan for social security.

Mr. Speaker: Although I am sure, this is quite an interesting and significant suggestion, I regret it is not strictly a case of urgent and pressing necessity. Therefore, the motion cannot be put.

* * *

[*English*]

HOUSE OF COMMONS

SUGGESTED EXTENSION OF HOURS OF SITTING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Ed Lumley (Stormont-Dundas): Mr. Speaker, I rise to propose a motion under Standing Order 43 on a matter which I deem to be of urgent and pressing necessity. Whereas the orderly progression of the business of this honourable House has slowed almost to a standstill because of prolonged and sometimes unnecessary debate on bills now before the House, which, in turn, has caused an unprecedented backlog of legislation important to millions of Canadians, I move, seconded by the hon. member for York West (Mr. Fleming):

That the House give immediate and serious consideration to extending the hours and even the days of sitting until such time as required to complete the disposition of bills on the order paper.

Some hon. Members: Hear, hear!

Mr. Fairweather: Come back in, Reid.

Some hon. Members: Agreed.

Some hon. Members: No.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Notwithstanding the immense, and evidently widespread, popularity of the suggestion contained in the motion, I have consistently taken the position that suggestions for changing procedures of the House may be important and valid but can scarcely be considered as matters of urgency.

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker, I want it to be amply clear that members on my side of the House were prepared to agree to that motion.

Some hon. Members: Oh, oh!

Mr. Reid: On a point of order, Mr. Speaker—

Mr. Fairweather: You had left the House. Sit down.

Mr. Reid: As there seems to be unanimous agreement—

An hon. Member: No, no; Sharp said no.

Mr. Speaker: Order, please. Let us understand one another clearly. If support for the substance of the motion is as widespread as it seems, surely ample machinery exists to implement that worthwhile suggestion.

* * *

NATIONAL DEFENCE

SUGGESTED COMMITTEE STUDY OF RETIREMENT SAVINGS PLANS FOR MEMBERS OF FORCES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise to request leave to propose a motion of urgent and pressing necessity pursuant to Standing Order 43. As the Minister of National Defence (Mr. Richardson) has allowed Canada Trust to establish a retirement savings plan for the Canadian Armed Forces, as the Canada Trust plan will be in direct competition with the RRSP's offered by military credit unions which provide full financial services to forces personnel at military bases and have offices on those bases, as military credit unions provide RRS plans containing the same advantages as are contained in the minister's proposal, and as the Canada Trust plan could affect membership and loss of funds of military credit unions, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That this House refer the whole matter to the Standing Committee on External Affairs and National Defence for a complete study and a report from the Minister of National Defence.

Mr. Speaker: The House has heard the terms of the motion being proposed. Pursuant to Standing Order 43 it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be debated at this time.

[Mr. Fairweather.]

• (1500)

CRIMINAL CODE

AMENDMENT CONCERNING POSSESSION OF FIREARM WHILE COMMITTING AN INDICTABLE OFFENCE

Right Hon. J. G. Diefenbaker (Prince Albert) moved for leave to introduce Bill C-379, to amend the Criminal Code.

Some hon. Members: Explain.

Mr. Diefenbaker: Mr. Speaker, with the indulgence of the House, I wish to make a short statement in connection with this amendment. I realize that normally this is not allowed, but I hope that in view of the fine spirit of unanimity which is present today, I will be permitted to mention what I have in mind.

Across our country today there is a carnival of gun murder. Thugs go here and there, intimidating or committing murder. Almost an open season exists. The reason is that there is no serious penalty against those wrongdoers who carry guns. I feel a minimum penalty for carrying a firearm should be added to any other sentence that may be given for the commission of a crime to the end that it will not be popular for those who carry guns to be in possession of them when endeavouring to commit an offence. What I propose is this:

Every one who carries or has in his possession a firearm for the purpose of or while committing an indictable offence, is guilty of an indictable offence and liable to imprisonment for not less than five years.

If that were done as well as putting an end to allowing people out on parole before the completion of the five-year sentence, it would go a long way towards ending or greatly reducing the amount of crime committed today by those thugs who carry revolvers and other firearms.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 919, 1,011, 1,032, 1,082, 1,108, 1,111, 1,117, 1,149, 1,166, 1,168, 1,214, 1,217, 1,237, 1,259, 1,260, 1,307, 1,317, 1,321, 1,329, 1,335, 1,358, 1,371, 1,452, 1,465 and 1,470.

Mr. Speaker, if questions Nos. 149, 391 and starred question No. 196 could be made orders for return, these returns would be tabled immediately.

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

[*Text*]

TECHNOLOGICAL CAPABILITY TO PROVIDE CANADIAN-BUILT ICEBREAKER

Question No. 919—Mr. Forrestall:

Does the government have the technological capability and yard capacity to provide a Canadian-built and Canadian-operated icebreaker with polar capability for continuous progress through 7 to 10 foot ice in this decade?

Hon. Jean Marchand (Minister of Transport): No, the Canadian government does not have such capability, but Canadian designers and shipyards do. The Ministry of Transport has commissioned a design through a Canadian design consortium for a Polar Class 7 icebreaker which will be capable of continuous progress through ice up to 7 feet thickness. The design is expected to be completed in 1976 and if a decision is made to construct such a vessel it should be in service in this decade.

SPACE PROGRAMME

Question No. 1,011—Mr. Herbert:

1. Do space programmes require (a) a continuous research and development programme (b) a high investment in facilities and test equipment (c) a well-trained technical source of manufacturing people?

2. Is it possible for Canada to identify continuing space programmes in order to maintain this expertise?

Hon. C. M. Drury (Minister of State for Science and Technology): 1. (a) Yes; (b) Yes; (c) Yes.

2. The government maintains an overview of space activities including research and application programme in order to ensure a reasonable balance of effort and the optimum use of resources. Examples of current government space programs include the Communications Technology Satellite project of the Department of Communications and the program of application development for remote sensing of earth resources and environmental factors carried out by the Canada Centre for Remote Sensing of the Department of Energy, Mines and Resources.

LIP—APPROVAL OF PROJECTS

Question No. 1,032—Mr. Cossitt:

During the time that the Honourable Jack Davis acted as Regional Minister in regard to the approving or disapproving of Local Initiatives Programme applications, what are the full details of all projects not approved by the Minister or his office, including, in each case (a) the nature of the project (b) the names and addresses or organizations or persons on the project application (c) the date of application (d) the amount of funds requested (e) all reasons for disapproval given in any manner whatsoever by the Minister or his office?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Not available. Only the Minister of Manpower and Immigration approves or disapproves Local Initiatives Programme applications, although he does receive recommendations from Members of Parliament of all parties, provincial governments and others.

Order Paper Questions

LIP—MR. RICHARD DICERNI'S RESPONSIBILITIES

Question No. 1,082—Mr. Cossitt:

1. With reference to the memorandum dated January 25, 1973 to the Minister of Manpower and Immigration on the subject of the Local Initiatives Programme and signed by the Deputy Minister, Mr. J. M. Desroches, who is the Mr. Dicerni referred to on page 2, what was his job designation and what were his duties?

2. Is this individual the same person as Mr. Robert Dicernie, Special Assistant to the Minister of Manpower and Immigration as of the date on which the memo was written?

3. (a) What was the exact relationship of Mr. Dicerni to the Local Initiatives Programme (b) was one of his tasks to advise LIP officials in regard to projects that were to be approved for political considerations?

4. (a) What is meant by the following sentence on page 2 of the memo "Mr. Dicerni will give us a decision in writing on whether the case is to be approved or not" (b) does this refer to LIP projects to be approved or disapproved because of political considerations?

5. (a) What is meant by the following sentence on page 2 of the memo "As soon as we have a clear picture of costs we shall report to you whether we can accommodate all decisions"—(referred by Mr. Dicerni)—"within the existing budget . . ." (b) does this refer to whether or not there were sufficient funds to cover projects which the Minister desired to have adopted for political purposes?

6. On what date and for what reason did Mr. Dicerni cease to be connected with the Local Initiatives Programme?

7. (a) What is his present position in government service (b) is he connected with the Unemployment Insurance Commission (c) do his present duties include performing any actions that are taken for political considerations and, if so, what are these duties and actions?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Mr. Richard Dicerni was employed as Special Assistant to the Minister of Manpower and Immigration from November 27, 1972 until September 1, 1973.

2. See (1).

3. (a) As a Special Assistant to the Minister of Manpower and Immigration Mr. Dicerni performed duties assigned to him by the Minister; (b) The task Mr. Dicerni carried out with regard to LIP was to maintain liaison with Members of Parliament and to consult with the regional Ministers, as described in Sessional paper 291-2-2319.

4. (a) and (b) One of the functions Mr. Dicerni performed was to inform the Department of ministerial decisions taken with regard to LIP Projects.

5. (a) and (b) It is the function of the Department to advise the Minister of the availability of funds in light of approvals. This is done on a regular basis.

6. See 1 above.

7. (a) Mr. Dicerni is presently Secretary to the Unemployment Insurance Commission; (b) See 7(a); (c) No.

POST OFFICE DEPARTMENT—TRANSLATION OF DOCUMENTS

Question No. 1,108—Mr. McKenzie:

1. What documents of any and all description (such as any type of form, records, stationery, employee directives, etc.) within the entire Post Office Department have to be translated into the French language?

2. Retroactive to what date will all past records of the Department have to be translated?

3. At what date must all of these translations be completed?

4. What amount of money was spent in the years 1973 and 1974 for translating such documents?

5. What will be the total cost of translating all existing documents, forms, stationery, records, etc. within the Department's entire operation?

6. What is the total additional yearly cost of ordering all new forms, stationery, etc. in two languages compared to the cost in one language?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Post Office Department and the Department of the Secretary of State as follows: 1. All documents as defined in the question have been made available in both languages for many years.

2. Therefore the question of retroactivity does not arise.

3. Not applicable.

4. It is difficult to provide a precise answer to the question in terms of the Post Office Department, since, in order to achieve greater efficiency, the Government of Canada has consolidated all translation, interpretation and terminology services under a single administration, designed to serve all the departments and public bodies which depend on them. Costs are not apportioned according to the types of activities mentioned above. However, the total demand for translation as represented by the number of words is available for the years 1972-1973 and 1973-1974. The production in words for 1972-1973 was 2,561,671; for 1973-1974 it was 2,668,059. On the basis of an analysis of operating costs for the Translation Bureau, the total operating costs are estimated at about ten cents per word for the two years in question.

5. Not applicable.

6. Since bilingual forms and documents have been standard practice for so many years, it is not feasible to make a meaningful cost comparison at this time.

DEPARTMENT OF COMMUNICATIONS—TRANSLATION OF DOCUMENTS

Question No. 1,111—**Mr. McKenzie:**

1. What documents of any and all description (such as any type of form, records, stationery, employee directives, etc.) within the entire Department of Communications have to be translated into the French language?

2. Retroactive to what date will all past records of the Department have to be translated?

3. At what date must all of these translations be completed?

4. What amount of money was spent in the years 1973 and 1974 for translating such documents?

5. What will be the total cost of translating all existing documents, forms, stationery, records, etc. within the Department's entire operation?

6. What is the total additional yearly cost of ordering all new forms, stationery, etc. in two languages compared to the cost in one language?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Communications and the Secretary of State as follows: 1. Documents required either for purposes of service to the public or communication with employees are translated as required from one official language to the other and distributed in both official languages.

2. Documents still in current use such as referred to in answer number 1 which were not initially produced in the two official languages, either have been translated, or are now being translated.

[Mr. McKenzie.]

3. The translation of all such documents referred to in number 1 and 2 above will be completed in the first half of 1975.

4. It is difficult to provide a precise answer to the question in terms of the Department of Communications, since, in order to achieve greater efficiency, the Government of Canada has consolidated all translation, interpretation and terminology services under a single administration, designed to serve all the departments and public bodies which depend on them. Costs are not apportioned according to the types of activities mentioned above. However, the total demand for translation as represented by the number of words is available for the years 1972-1973 and 1973-1974. The production in words for 1972-1973 was 1,662,567; for 1973-1974 it was 1,370,760. On the basis of an analysis of operating costs for the Translation Bureau, the total operating costs are estimated at about ten cents per word for the two years in question.

5. Information not available.

6. Information not available.

PURPOSE OF PUBLIC AFFAIRS BRANCH—POST OFFICE DEPARTMENT

Question No. 1,117—**Mr. Beatty:**

1. (a) What is the purpose of the Public Affairs Branch of the Post Office Department (b) does it have authority to act on complaints by customers?

2. On what date was it established?

3. How many employees belong to this Branch?

4. (a) What is the present budget of the Branch (b) what are the component parts of the budget (c) what has been the total cost of the Branch to the taxpayer since its creation?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1(a) The purpose of the Public Affairs Branch of the Post Office is twofold: (1) to achieve public understanding and acceptance of Post Office policies and plans; (2) to provide expertise to management in the areas of communicating with specific publics. (b) Public Affairs personnel do respond to complaints by customers, but the responsibility to resolve customer problems lies with Sales and Customer Service in the Marketing Directorate.

2. In 1970, the Information and Public Relations Branch became the Public Affairs Branch.

3. There are 41 employees at Headquarters, of which 24 are information officers, and an additional 44 employees, in the four regional and 14 district offices, of which 33 are information officers.

4. (a) The operating budget for 1974-75 is $1,798,631, including salaries. The advertising budget is $220,000; (b) The component parts of the budget include advertising, publications, audio-visual, special events, language quality, media relations, national news desk, press gallery liaison, and administration and production. (c) 1970-71, $1,510,758, including $650,000 for advertising; 1971-72, $1,385,922, including $500,000 for advertising; 1972-73, $2,011,987, including $655,000 for advertising; 1973-74, $2,091,148, including $655,000 for advertising; 1974-75, $2,018,631, including $220,000 for advertising.

INSTITUTE OF OCEAN SCIENCES, PATRICIA BAY

Question No. 1,149—**Mr. McKinnon:**

1. Was a press release issued by Environment Canada indicating the estimated cost for the Institute of Ocean Sciences at Patricia Bay as 20 million dollars and, if so, for what reason does this figure differ from the 1974-75 Estimates total cost of $10,750,000?

2. Has a decision been made to include additional organizations and, if so, what are they?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. A press release was issued on December 10, 1974 the estimated cost for the Institute of Ocean Sciences at Patricia Bay, B.C., as $20,000,000. The figure of $10,750,000 in the 1974-75 estimates was based on a 1972 preliminary Task Force report. The wharf-marine facilities cost was estimated at $1,936,000 and the buildings facilities at $8,814,000. Consultant Design Architects were subsequently engaged and in April, 1974, the wharf-marine facilities design was completed, tenders called and Treasury Board approved an expenditure of $4,200,000 for that purpose. The concept design for the building facilities was completed in May, 1974 and the estimated cost was indicated as $12,063,000 in 1974 dollars. However Treasury Board asked that escalation be applied to this estimate which resulted in an increase in the estimated building facility costs to $16,198,685. With the addition of the wharf-marine facility cost of $4,200,000 the total estimated cost of the complex is now $20,398,685 with a 1978 completion date. This figure will be included in the 1975-76 estimates.

2. No decision has been made to include additional organizations at this time.

NUMBER OF PUBLIC SERVANTS IN CANADA, 1965-73

Question No. 1,166—**Mr. Gauthier (Roberval):**

In the years 1965 to 1973 inclusive, how many public servants were there (a) in Canada (b) in each province?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports the following figures providing the details concerning the number of federal public servants in Canada and in each province through the years 1965 to 1973 inclusive.

Federal Government Employment by Province—Number of public servants as at March 31

	1965	1966	1967	1968	1969	1970[1]	1971	1972	1973
Newfoundland and Labrador	10,526	10,525	10,640	10,637	9,954		9,439	8,888	10,332
Prince Edward Island	2,173	2,227	2,099	2,174	2,117		2,073	2,215	2,290
Nova Scotia	18,711	19,278	19,358	19,537	24,639		23,838	25,445	25,023
New Brunswick	14,257	14,696	15,595	14,584	14,546		14,509	15,343	15,213
Quebec	66,605	68,673	76,300	74,110	72,545		74,447	79,589	85,319
Ontario	129,231	134,672	141,203	144,195	143,556		152,658	161,390	170,117
Manitoba	24,240	24,793	25,877	24,765	24,491		25,160	25,161	25,444
Saskatchewan	10,687	11,510	12,045	12,144	12,318		12,264	13,676	13,907
Alberta	19,359	19,518	21,265	21,392	21,354		22,203	22,859	24,350
British Columbia	26,654	27,642	29,169	30,140	29,845		32,365	34,642	35,715
Yukon	2,840	3,034	3,242	2,832	3,000		1,117	1,271	1,102
Northwest Territories							2,145	2,140	2,447
Total—in Canada	325,283	336,568	356,833	356,510	358,365	365,486	372,218	392,619	411,259

[1]Number of employees in each province not available.

CNR—LANGUAGE TRAINING

Question No. 1,168—**Mr. Cossitt:**

1. (a) Is a survey form being circulated to CNR employees in regard to language capabilities (b) are such employees being asked if they are willing to take language training in one of the official languages and, if so (i) to what regional areas of CNR are such surveys being distributed (ii) have these been sent or will they be sent to employees of the Eastern Region?

2. (a) What persons authorized this survey (b) what are the names of all persons in government who in any way recommended or promoted the making of such a survey by CNR?

3. Is this survey another attempt by the government to promote bilingualism in Canada including areas that are predominately English speaking?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: 1. (a) Yes. (b) Yes. (i) Atlantic, Great Lakes and Mountain Regions. (ii) Yes, they have been distributed.

2. (a) Chairman, System Policy Committee on Bilingualism. (b) Commissioner of Official Languages.

3. The Commissioner of Official Languages reports directly to Parliament and not through a Minister. Questions may be put to him directly.

PORT OF VANCOUVER—SEAPLANE OPERATIONS

Question No. 1,214—**Mr. Huntington:**

Have rigid operational procedures been issued for seaplane operations, landing and taking-off in the Port of Vancouver and, if so, would the Minister provide a copy of the regulations and, if such regulations cannot be made available, for what reason?

Hon. Jean Marchand (Minister of Transport): Special procedures are in effect at Vancouver Harbour which were promulgated in an Aviation Notice dated May 6, 1974. These require seaplane operators to use designated routes and altitudes when entering or leaving the harbour area. A copy of the Aviation Notice follows. Seaplane operations

conducted in the Port of Vancouver are from a licensed airport and are in accordance with the section 529 of the Air Regulations which reads as follows: 529. Except when taking off from or landing at an airport or military aerodrome or except as specifically authorized by the Minister, aircraft shall not be flown (a) over the built-up areas of any city, town or other settlement or over an open-air assembly of persons, except at an altitude that will permit, in the event of an emergency, the landing of the aircraft without undue hazard to persons or property on the surface; such altitudes shall not in any case be less than one thousand feet above the highest obstacle within a horizontal radius of two thousand feet from the aircraft; and (b) elsewhere than over any area mentioned in paragraph (a), except at altitudes of not less than five hundred feet above the surface of the ground or water, unless such flight may be made without undue hazard to persons or property on the surface.

Aircraft Operations—Vancouver Harbour

In the interest of promoting safe operating techniques within the Vancouver Harbour and reducing noise exposure in adjacent noise sensitive communities, no aircraft shall cross the built-up area of Vancouver below 2000′ ASL. Aircraft operating to and from the Harbour will be expected to follow the procedures outlined below: 1. All aircraft shall maintain a listening watch on advisory frequency 122.9 Mhz.

2. Arriving aircraft shall transmit on frequency 122.9 Mhz. Abeam Point Grey or Atkinson followed by a second transmission approaching Third Beach. This transmission will advise the position, height and intentions of flight.

Example: "C-FABC" Pt. Grey for the Harbour, with the altitude followed by a second report. "C-FABC approaching Third Beach for the Harbour".

3. Departing aircraft shall transmit the intended direction of take-off on 122.9 Mhz., remain over the water and reduce to cruise-climb power when safe. This will be followed by advisory reports over Lions Gate Bridge, and Point Grey or Atkinson advising altitude and intention of flight.

Example: "C-FABC"—on take-off (Eastbound) (Westbound) followed by a second report. C-FABC by Lions Gate (with altitude) for Point Grey (Atkinson).

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NOTE: Aircraft intending to transit the Vancouver Positive Control Zone shall contact the Vancouver Tower on 124.0 Mhz. when operating at or below 2000′ ASL or Vancouver Radar on 125.2 Mhz. when operating above 2000′ ASL.

Refer to VFR Supplement for VFR procedures within the Terminal area.

PRINCE ALBERT NATIONAL PARK—REPORT ON PUBLIC HEARINGS

Question No. 1,217—**Mr. Clark (Rocky Mountain):**

1. On what date will the government publish reports on the public hearings, which ended in 1971, concerning Prince Albert National Park?

[Mr. Marchand (Langelier).]

2. As of December 15, 1974, had the report or reports concerning the 1971 public hearings on the Park gone to translation and (a) if so, on what date (b) if not, for what reason?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. A firm date has not yet been fixed, but it is expected to be in February.

2. (a) The report was sent for translation December 10, 1974. (b) Not applicable.

1974 OFY PROGRAMME—PROVINCIAL ALLOCATION

Question No. 1,237—**Mr. Marshall:**

1. Under the 1974 OFY Programme, what amounts of money were allocated to each province and how many jobs were created in each province?

2. What were the specific criteria used to determine the allocation of OFY monies to each province in 1974?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1.

Province	Jobs Created	Provincial Allocation $	
Newfoundland	1,340	1,013,000	(included in these
Nova Scotia	1,341	1,141,000	provincial
Prince Edward Island	218	192,000	allocations the
New Brunswick	1,120	951,000	sum of $200,000
Quebec	8,815	9,255,000	which was utilized
Ontario	7,705	7,731,000	to fund projects
Manitoba	1,347	1,252,000	of merit whose
Alberta	1,893	1,728,000	activities extended
Saskatchewan	1,150	1,110,000	beyond a given
Northwest Territories	289	150,000	Management Area)
British Columbia	2,276	2,114,000	
Yukon	31	16,000	

2. The funds for the 1974 Opportunity for Youth Programme were allocated to the Department's 33 Management Areas, which covered all of Canada, using the formula which is described below. A Management Area was comprised of several Canada Manpower Centres. One-third of the OFY funds was allocated to the Management Areas on the basis of the distribution of the population 15 to 25 years of age in the areas as revealed by the 1971 Census. The remaining two-thirds were distributed in accordance with a prescribed formula which takes into account: (a) the number of jobs of a type considered normally available to young people, by area; (b) the population, 15 to 25 years of age, by area. The number of jobs available and the number of persons 15 to 25 years of age had been combined in the form of a Youth Job Availability Index for each Management Area. The numerator of the Index was the number of jobs available to young people in the Management Area; the number of persons 15 to 25 years of age was the denominator. The occupations included in the Index were restricted to those in which students and other youth could be expected to readily obtain work on account of the low skill and low experience requirements. The Youth Job Availability Index gave the relative position of each Management Area in terms of readily available job opportunities for young people and the

number of persons in the youth age group (15-25). This Index was then related to the youth population in the area (Population 15-25/Student Job Availability Index), the results of which formed the basis for the allocation of the two-thirds portion of OFY funds. In other words, the funds were allocated to the Areas by taking into consideration job availability and the number of young persons in the Area. The total funds allocated to a Management Area was the sum of the funds distributed on: (1) the basis of the youth population in the area, and (2) the funds allocated using the ratio of Youth Population/Youth Job Availability Index. The total funds allocated to a province was the sum of the funds allocated to all Management Areas within that province.

SUBSIDIES FOR NATURAL MILK

Question No. 1,259—**Mr. Lambert (Bellechasse):**

1. From October 1973 to January 4, 1975, how much did the government pay in subsidies for natural milk?

2. How much money was paid to each province?

Hon. E. F. Whelan (Minister of Agriculture): Subsidies paid were for natural milk (fluid milk): 1. $108,772,197.18.

2. Newfoundland, $617,203.73; Prince Edward Island, $469,810.03; Nova Scotia, $4,604,787.87; New Brunswick, $2,779,441.85; Quebec, $26,188,963.29; Ontario, $45,524,396.51; Manitoba, $5,148,415.44; Saskatchewan, $3,872,297.47; Alberta, $7,962,313.85; British Columbia, $11,604,567.14.

CBC PROGRAMME "BYE-BYE 74"

Question No. 1,260—**Mr. Herbert:**

Is it CBC policy to deride the Stations of the Cross and the feelings of Canadians as was done on the programme *Bye-Bye 74*?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: No Religious programme, together with programmes including the serious discussion of religion form a regular part of the television and radio schedules of the CBC. The CBC French television network production of December 31, 1974, "'Bye-Bye 74' was a variety programme. The episode in question in the programme was a satirical one, in no way intended to deride religious practices.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—NUMBER OF EMPLOYEES AND SALARIES

Question No. 1,307—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of Indian Affairs and Northern Development on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. (a) 8,955; (b) 9,151.

2. 1974: (a) 5,518, (b) 3,124, (c) 302, (d) 11; 1975: (a) 4,228, (b) 4,257, (c) 623, (d) 43.

Order Paper Questions

DEPARTMENT OF SECRETARY OF STATE—NUMBER OF EMPLOYEES AND SALARIES

Question No. 1,317—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of the Secretary of State on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. James Hugh Faulkner (Secretary of State): 1.

		January 1, 1974	January 1, 1975
	(a)	2,164	
	(b)		2,411
2.	(a)	856	784
	(b)	942	1,099
	(c)	355	513
	(d)	11	15

MINISTRY OF STATE FOR URBAN AFFAIRS—NUMBER OF EMPLOYEES AND SALARIES

Question No. 1,321—**Mr. Paproski:**

1. How many full-time employees were under salary in the Ministry of State for Urban Affairs on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. Barney Danson (Minister of State for Urban Affairs): 1. (a) 184; (b) 230.

2. January 1, 1974: Under $10,000, 75; $10,000-$20,000, 72; $20,000-$30,000, 34; over $30,000, 3; January 1, 1975: Under $10,000, 70; $10,000-$20,000, 99; $20,000-$30,000, 44; Over $30,000, 17.

CANADIAN COMMITTEE ON OCEANOGRAPHY

Question No. 1,329—**Mr. Forrestall:**

Who are the members of the Canadian Committee on Oceanography and how frequently and on what dates did they meet in the past six months?

Hon. C. M. Drury (Minister of State for Science and Technology): In so far as the National Research Council of Canada is concerned, the answer is as follows: Dr. J. D. Keys (Chairman), Mr. H. O. Buchanan, RADM. A. L. Collier, Dr. A. E. Collin, Mr. F. A. A. Fergusson, Dr. G. Filteau, Mr. A. H. Green, Mr. N. Haffey, Mr. R. G. Head, Dr. M. J. Keen, Dr. D. J. Le Roy, Mr. J. R. H. Noble, Mr. W. A. O'Neil, Dr. G. L. Pickard, Dr. E. R. Pounder, Dr. C. H. Smith. The Canadian Committee on Oceanography has not met within the last six months.

Order Paper Questions

GOVERNMENT POLICY CONCERNING RESIDENCE OF APPLICANTS FOR GOVERNMENT POSITIONS

Question No. 1,335—**Mr. Forrestall:**

Is it the policy of the government, when hiring through the Public Service Commission, to accept applications from citizens resident in any place in Canada for any job offered regardless of the location of the job opening and, if not, for what reason?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: In accepting applications for appointment to positions in the Public Service, the Public Service Commission is governed by two sections of the Public Service Employment Act: (a) Section 13 of the PSE Act states "Before conducting a competition the Commission shall (a) determine the area in which applicants must reside in order to be eligible for appointment; . . ." (b) Section 19 of the PSE Act states "Where an appointment is to be made to a local office, the Commission in making the appointment from outside the Public Service shall, whenever it is in the best interests of the Public Service to do so, give preference in appointment to qualified candidates who reside in the area served by the local office over qualified candidates who do not so reside." To carry out and give effect to Section 19 of the Act, the Commission has adopted Public Service Employment Regulation 10 which states: "Where an appointment is to be made to a local office from outside the Public Service in either of the occupational categories referred to in the Public Service Staff Relations Act as the administrative support or the operational category, preference in appointment shall be given to qualified candidates who reside in the area served by the local office over qualified candidates who do not so reside."

In categories other than the administrative support or operational, the Commission, in determining the area in which applicants must reside pursuant to Section 13 of the PSE Act, is influenced by: (a) The extent to which the area of competition must be extended to ensure that an adequate number of candidates is attracted from which to make a suitable selection, and (b) The need to confine expenditures to reasonable levels, consistent with the objective of appointing the best available candidate for the position to be filled.

"RADIO TELEVISION CANADA" ILLUSTRATED BOOKLET

Question No. 1,358—**Mr. Herbert:**

With reference to the illustrated booklet *Radio Television Canada* what was (a) the number printed (b) the distribution (c) the cost of this publication?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: (a) 50,000. (b) The booklet is being made available to the general public including Members of the House of Commons and Members of the Senate, libraries and schools, government information offices, CBC listeners and viewers and other individuals or agencies requesting information about the national broadcasting service. (c) Total cost including layout, design and printing of this publication was $27,972.14.

[Mr. Drury.]

AGRICULTURE—REMOVAL OF QUOTAS ON PRODUCTION

Question No. 1,371—**Mr. Robinson:**

Does the Minister of Agriculture consider that the farmers should produce more and, if so, is the government considering the removal of quotas on production so that Canada can provide more food for the world's starving millions?

Hon. E. F. Whelan (Minister of Agriculture): The Minister has stated on numerous occasions that he urges farmers to produce more, and that he is confident farmers will expand production if given adequate incentives to do so. The government does not impose production quotas on farmers. Marketing institutions such as the Canadian Dairy Commission, the Canadian Wheat Board and some producer marketing boards use marketing quotas to achieve orderly marketing for the purpose of forestalling shortage and surplus situations, and to enable all producers to have equal access to the market. These marketing quotas do not restrict production and removal of them would not increase the output of food from Canadian agriculture.

CHILEAN IMMIGRANTS

Question No. 1,452—**Mr. Huntington:**

Have Chilean immigrants arriving via Cuba and Mexico been allowed by Ottawa to enter Canada after having been refused entry by Vancouver immigration officials and, if so, what are the reasons for the overruling?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The Department of Manpower and Immigration has no knowledge of any Chilean immigrant arriving via Cuba and Mexico after having been refused entry by Vancouver immigration officials.

ATLANTIC REGION—ALL-WEATHER HIGHWAYS

Question No. 1,465—**Mr. Howie:**

Are there any plans to, in co-operation with the provinces, provide a complete network of all-weather highways through the Atlantic region, connecting to major markets in central Canada and the United States?

Hon. Jean Marchand (Minister of Transport): Although the Ministry of Transport presently has no programme for assisting the Atlantic Provinces in improving their primary highway network, we are constantly reviewing the highway needs of each region in Canada as they relate to the national interest.

DEPARTMENT OF MANPOWER AND IMMIGRATION—CLUSTER MANAGEMENT SYSTEM

Question No. 1,470—**Mr. Whittaker:**

Has the Pacific Region of the Department of Manpower and Immigration implemented the Cluster Management System for Canada Manpower Centres within that region and, if not, does it intend to implement such a system?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The Pacific Region of the Department of Manpower and Immigration has not yet implemented the cluster management system for Canada Manpower Centres. However, development work on the concept is con-

tinuing and it is anticipated that it will be introduced later this year.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

PUBLIC SERVANT PARTICIPATION IN POLITICAL CAUCUSES

Question No. 149—Mr. Clark (Rocky Mountain):

1. On how many occasions in the life of the 29th Parliament has a public servant, other than a translator, participated in a caucus meeting of the (a) Liberal (b) Progressive Conservative (c) New Democratic (d) Social Credit Party?

2. In each such case, what was (a) the name of the public servant (b) the dates of the participation (c) the subject-matter discussed?

3. On how many occasions in the life of the 29th Parliament has a public servant who was involved in preparation of a particular piece of legislation discussed the substance of that legislation with the caucus of the (a) Liberal (b) Progressive Conservative (c) New Democratic (d) Social Credit Party before that legislation was tabled in the House of Commons?

4. In each such case, what was (a) the name of the public servant (b) the dates of the participation (c) the subject-matter discussed?

Return tabled.

*OVERTIME PAY TO PUBLIC SERVANTS EARNING $18,000 OR MORE

Question No. 196—Mr. Orlikow:

1. How many Public Servants, by departments, commissions, Crown corporations, etc. earning over $18,000 a year in the past year received overtime pay?

2. Of this number, how many received overtime pay (a) up to $1,000 (b) between $1,000 and $2,000 (c) between $2,000 and $3,000 (d) between $3,000 and $4,000 (e) between $4,000 and $5,000 (f) $5,000 and over?

Return tabled.

PUBLIC SERVANTS IN RECEIPT OF REMUNERATION FROM MORE THAN ONE DEPARTMENT

Question No. 391—Mr. Herbert:

Did any public servants in the last year for which the information is available receive any remuneration from another department while receiving full annual salary from their proper department and, if so, how many received such a remuneration and what were the circumstances that lead to the approval of this "double-dipping"?

Return tabled.

Mr. Stevens: Mr. Speaker, I rise on a point of order. Questions Nos. 636 and 637 were originally placed on the Order Paper of the twenty-ninth parliament on February 28 of last year as questions Nos. 222 and 225. The parliamentary secretary has only two parliamentary days left to save the government from going into year two in answering these questions. One deals with the Olympic program about which members are entitled to some information. The second deals with the information service officers retained by this government. Perhaps the parliamentary secretary can accept the challenge of saving the government from continuing this Rip van Winkle type of approach in not answering these questions.

Mr. Reid: Mr. Speaker, I take no responsibility for the answering of those questions. My duty is to report them. I suggest the hon. member take up his quarrel with the relevant ministers who are obviously not doing their work.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, the admission just made by the parliamentary secretary will be generally received with acclaim on this side of the House. In fact, the only criticism will be its limitation to the few ministers.

I again raise a matter which reveals the complete contempt this government shows toward questions for which they have answers but refuse to give them. I refer to question No. 1,256. It was placed on the Order Paper last fall and answered in a way that had no regard to parliamentary procedure or to truth.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I put the question back on the Order Paper with a slight alteration on February 5. I simply asked about the pension received by a former minister of the Crown, the Hon. John Whitney Pickersgill, and the salary he received when President of the Canadian Transport Commission. The government and the department are deliberately causing an affront to parliament by not answering. They have the information. They do not want to reveal it. They contemptuously treat members of parliament as though they were not here or had no right to examine anything connected with expenditures.

Mr. Orlikow: Mr. Speaker, I placed starred question No. 196 on the Order Paper last October 1. I asked:

How many public servants, by departments, commissions, crown corporations, etc. earning over $18,000 a year in the past year received overtime pay?

The second part of the question asks how many received overtime pay up to $1,000 and so on. I do not mind if the parliamentary secretary does not give a verbal answer, but I see no reason for him to ask that it be made an order for return. People are interested in the answer to this question. It should be printed in *Hansard* so they can get a copy and see what are the facts.

Mr. Clark (Rocky Mountain): Mr. Speaker, I rise on a point of order. I want to draw the attention of the parliamentary secretary to the continuing failure to reply to question No. 782 which has been on the Order Paper in various forms since the last session. It seeks to elicit information as to the number of individuals employed in Crown agencies who began their public service careers in the political offices of ministers of the Crown. The question has acquired particular urgency following the recent Batten report which indicates that the major recruiting office for officials of the Unemployment Insurance Commission is the political office of the Minister of Manpower and Immigration.

● (1510)

Mr. Schumacher: I should like to bring question No. 1,223 to the attention of the parliamentary secretary in the absence of the Solicitor General. This question has now

been on the Order Paper for almost a month. It relates to the number of prisoners released from our penal institutions and to certain crimes committed by people who should not be at large. It is of some urgency and I hope an effort will be made to answer this question.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order having to do with the point raised by my hon. friend from Winnipeg North. It seems to me that what my hon. friend presented was not just a grievance but a request that the rules be followed. In my view there should either be a ruling or an offer by the Parliamentary Secretary to the President of the Privy Council to put the answer to that question on record in *Hansard*.

My hon. friend referred to question No. 196, which was a starred question, and according to Standing Order 39(2)(A) he has a right to an oral answer. He did say he was prepared to accept the answer being put on record in *Hansard*, but I really think it is going too far to reply by saying that a return would be tabled. Perhaps the parliamentary secretary would agree to printing the answer in *Hansard*.

Mr. Speaker: The hon. member will realize, I am sure, that the House has already passed an opinion on this matter when an order for return was made. Hon. members were asked whether it was the pleasure of the House that this be done, and it was done. We cannot go back over that ground. Perhaps the suggestion offered by the hon. member could be considered by the parliamentary secretary.

Mr. Knowles (Winnipeg North Centre): Perhaps there could be unanimous consent that the answer to that starred question be printed in *Hansard*.

Mr. Speaker: Is it agreed?

Some hon. Members: No.

Mr. Stevens: Mr. Speaker, the parliamentary secretary suggested that I take up my grievance with the two ministers responsible. Could he be more specific? I think there are about five ministers who might possibly be involved.

Mr. Cossitt: I rise on a point of order to call attention to the fact that it will soon be Easter again and that question No. 25 has remained unanswered since last Easter in the old parliament and again in this parliament. It is a simple question. It asks how much was paid from public funds for two specific trips made to the Caribbean for holidays by the Prime Minister and a second trip to Switzerland. Surely, all the bills and accounts have now been received and been paid. I believe I am justified in bringing up this matter again, as I have brought it up on several earlier occasions, without receiving any response from the parliamentary secretary. I think an answer to question 25 should now be available and I can only assume, because it has not been provided, that the government is trying to hide information from the Canadian parliament and the Canadian people. We are getting rather tired of information to which we are entitled being denied us.

Some hon. Members: Hear, hear!

[Mr. Schumacher.]

Mr. Cossitt: Members on that side of the House are afraid of the consequences if the Canadian people are given these facts. I believe it is about time we got answers to our questions within a reasonable period of time and not six, eight, or ten months after they have been put down.

Some hon. Members: Hear, hear!

Mr. Coates: I do not wish to complain about questions which are still unanswered. I did that a while ago. But something has to be done if there is to be any sense of order in this chamber. What is happening now is what I predicted on Monday would happen, and it will be repeated indefinitely unless things are done properly; hon. members will use devices which go against the rules because the rules are not suitable in meeting the circumstances of the day. We have to move forward along the lines suggested by the hon. member for Grenville-Carleton (Mr. Baker) so as to ensure that Your Honour is not put through the tortures of the damned trying to get us to the business we are supposed to be considering because the government is not handling the affairs of the House properly.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Would Your Honour be so kind as to call Notice of Motion No. 24?

Mr. Speaker: Notice of Motion No. 24.

COPY OF AIR CANADA CONTRACT AS REVISED

Motion No. 24—**Mr. Mazankowski:**

That an Order of the House do issue for a copy of the Air Canada contract and all additions, revisions and amendments thereto.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Air Canada contract contains considerable confidential information relating to the organization, operation and maintenance of the Air Canada lines. Air Canada's competitors are not obliged to provide such information or expose their contractual arrangements to similar scrutiny. To place Air Canada in such a disadvantageous position would not be in the public interest. Under these circumstances would the hon. member agree to withdraw the motion?

Mr. Fairweather: How can a monopoly be at a disadvantage?

An hon. Member: Transfer for debate.

Mr. Speaker: Transferred for debate. Shall the remaining notices of motion for production of documents be allowed to stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

FINANCE

MINISTER'S VIEW ON COLA CLAUSE IN LABOUR CONTRACTS IN THE PRIVATE AND PUBLIC SECTORS OF THE ECONOMY

Hon. Robert L. Stanfield (Leader of the Opposition): In directing my question to the Minister of Finance, I would remind him that on January 28 he said he had informed labour leaders in Vancouver, I think it was, some time previously that from his point of view the addition of a COLA clause made a good deal of sense because it responded to the cost of living rather than anticipating rates of inflation which hopefully would not be attained. I would surmise that following this statement most labour leaders would think that a COLA clause was well within the ground rules of the Minister of Finance related to restraints and the policy of consensus he is trying to attain. Is this statement that a COLA clause makes a good deal of sense still the minister's view?

Hon. John N. Turner (Minister of Finance): Yes, sir. There may be situations in negotiations between employers and labour where a COLA clause would be less inflationary than a clause based on future rates of inflation which might be a self-fulfilling prophecy. Each case must be examined on its merits.

Mr. Stanfield: I should like to ask the minister whether his statement that from his point of view the addition of a COLA clause made a good deal of sense would not be taken to be a declaration of a much more general nature than he has indicated. Specifically, I would ask the minister whether it is the policy of the government in discussing a consensus with labour leaders and others to approve of the presence of a COLA clause in a contract. Would any contract negotiated with such a clause in it be regarded by the Minister of Finance as being out of order?

Mr. Turner (Ottawa-Carleton): As I indicated to the hon. gentleman rather fully last Thursday, just after orders of the day were called, we are at the exploratory or evolving stage of this consensus and the government has not yet put forward any proposals. We are listening to labour, management, professionals and consumer groups to find out what aspects of moderation in their claims against the economy are possible.

Mr. Stanfield: Having told us that in his view a COLA clause would not be considered to be excessive in the case of labour contracts in the private sector, would the hon. gentleman indicate his attitude toward a COLA clause in a public service contract?

● (1520)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have said that in general terms it may be that negotiation or settlement of any particular COLA clause would be less inflationary than a settlement which tried to anticipate future rates of inflation as a direct linear projection of the current rate. So far as public sector negotiations are concerned, it depends on the particular situation. I have full confidence that the negotiator on behalf of the government will take all factors into consideration, and the man in charge of negotiations for the government is my colleague the President of the Treasury Board.

* * *

PUBLIC SERVICE

POSTAL EMPLOYEES—GOVERNMENT POSITION ON MAKE-UP PAY BOOST

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a supplementary question for the President of the Treasury Board. In light of the fact that a make-up pay boost is one of the basic requirements of continued negotiation with the postal unions with reference to the current troubles and has also been underlined by the Postmaster General from time to time as being one of the reasons for the continuing malaise among postal employees, would the President of the Treasury Board put forward some sort of proposition that would get negotiations started again with this important sector of the public service?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, we undertook negotiations. I believe one group applied for conciliation, and we will be present. Everything is proceeding normally. We hope a common ground can be found, to the satisfaction of both parties.

[*English*]

Mr. Dinsdale: A further supplementary question, Mr. Speaker. With reference to the specific question that I asked the President of the Treasury Board, is he considering the make-up-in-the-pay-cheque proposition that is regarded as basic to any resumption of negotiations with the postal workers?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I do not believe a move in that direction would be appropriate. The hon. member should know a $500 payment was made to all civil servants whose contract was not negotiated in 1974. Post office employees were paid that $500, as was every other government employee.

* * *

[*English*]

FINANCE

REASON FOR DELAY IN IMPLEMENTING GUARANTEED ANNUAL INCOME PROGRAM

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. Considering the fact that among those most seriously affected by the current rate of inflation, which is running in the neighbourhood of 10 to 12 per cent, are the six million Canadians who would be positively affected by the introduction of some form of guaranteed minimum income program at this time, would the minister inform the House why under the existing circumstances the government has reached the decision—if indeed it has—that it does not

now intend to proceed with this kind of program for those in the country who need it the most?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that question ought to be referred to my colleague the Minister of National Health and Welfare who spoke on behalf of the government at a federal-provincial conference.

Mr. Broadbent: A supplementary question, Mr. Speaker. I saw the minister winking across the House, which surely suggests we should take his answer with some skepticism. I am asking him this question as Minister of Finance, and I think it is a reasonable assumption for us to make if past practices of parliamentary government have been observed by the cabinet, that he played a crucial role in this decision. Is it his view as Minister of Finance that the government cannot afford to implement this program at this time?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I want to assure the hon. gentleman that no question that he has put to me so far has made me blink. The hon. gentleman ought to refer to the address my colleague made to the federal-provincial conference of welfare ministers; the government's position is contained fully in that document.

Mr. Broadbent: A final supplementary question. I am in fact referring to an earlier speech made by that minister in November, when he documented the problems of the poor in our society. I conclude with this question. Is it the minister's view, as Minister of Finance, that the $500 million only that the federal government would have to put up under changes to the Canada Assistance Plan—which would be the best route to take in this regard—are beyond the fiscal capabilities of this government?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, my view was expressed by my colleague at the conference.

* * *

[*Translation*]

PUBLIC SERVICE

USE OF PRIVATE ENTERPRISE WORKERS DURING PUBLIC SERVICE STRIKES—GOVERNMENT POSITION

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the President of the Treasury Board.

Could he tell the House whether the government is considering generalizing the policy already partially established of hiring private contractors to do the work usually done by the public service employees now on strike and, second, does he consider normal that the same work in the same department is paid at different levels depending on whether the employee belongs to the public service or works for a private contractor, in which case his salary is much higher?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, in cases where external help is required, we must take into account the fact that these employees are hired only temporarily, and sometimes even for a few hours or a few days, and their salary basis cannot be the same as that which applies to people who work throughout the year. When employees are on strike, as they are now, it is not government policy to hire staff from the private sector to replace them. However, when public servants are illegally on strike, I believe the government is entitled to replace them by people from the private sector.

[*English*]

USE OF PAY RESEARCH BUREAU AS BASIS FOR NEGOTIATION WITH GENERAL LABOUR AND TRADES GROUP

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I want to direct a question that is supplementary to the earlier questions asked of the President of the Treasury Board. In view of the fact that a confidential report prepared by the federal pay research bureau has indicated that the workers in the general labour and trades group are paid at a lower rate than those in comparable positions in the private sector, and because it has been intimated that unless these anomalies are corrected the public service will face a severe labour shortage within the next decade, will the Minister indicate whether or not he would consider using this report as a basis for further negotiations, in an effort to resume settlement talks in the public interest?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, we do not accept the premise contained in this question. I think there is no problem at all at this time getting employees to work for the government.

Mr. Forrestall: A further supplementary question, Mr. Speaker. May I ask the minister whether or not he is, in fact, in possession of a confidential report from the pay research bureau which indicates that members of the general labour and trades group are paid at a rate substantially lower than or not comparable with the general prevailing rates in the given zones and areas across the country?

Mr. Chrétien: Mr. Speaker, I am told that this statement is incorrect. Sometimes we are not talking about the same kind of employees. Some who work in maintenance positions cannot be compared with those who work in the construction industry, and so on. I think they do compare with people having similar occupations in the private sector. If we are wrong in some instances then we will be willing to correct those errors, but I am told that there are no such errors at the moment.

* * *

FINANCE

INQUIRY AS TO WHETHER GOVERNMENT EXPENDITURES WITHIN GUIDELINES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is supplementary to that posed to the Minister of Finance by the Leader of the Opposition regarding his pursuit of voluntary restraints and guidelines. Is the 28 per cent increase in federal spending represented by the estimates that have now been put before the House within government guidelines, and if not is the minister trying to tell us that he is in the position of imposing restraints on others that he is not prepared to impose on the government?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the main estimates tabled today by my colleague the President of the Treasury Board include only authorized expenditures as of this date. I said on budget day, and the President of the Treasury Board repeated today, that in comparing total outlays—budgetary, non-budgetery, including supplementary estimates, all loans and obligations of the government, the old age assistance plan, unemployment insurance—the total outlays for 1975-76 over 1974-75 are still estimated to be in the range I projected on budget night.

Mr. McGrath: A final supplementary question, Mr. Speaker. Has the minister in fact set down guidelines on government spending, and is in fact the current increase in government spending within these guidelines?

● (1530)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, as the President of the Treasury Board answered, subject to situations we have not contemplated up to this moment, we hope that the projected increases in expenditures as estimated in the budget will be fulfilled. I would refer the hon. gentleman to the statement of the President of the Treasury Board earlier in the session.

* * *

PUBLIC BUILDINGS

BOURDIGNON BUILDING, VANCOUVER—REQUEST FOR INVESTIGATION OF ADVERTISEMENT FOR LEASE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I should like to draw the attention of the Minister of Public Works to a recent advertisement in Vancouver under the public works banner and over the signature of Mr. MacLeod, regional manager of property services, which calls for lease proposals for 206,000 square feet of air conditioned office space in the city of Vancouver. The description, occupancy date and location required for this space were such that only one building, the nearly completed Bourdignon building in the Marpole area, could possibly qualify, and all other developers were therefore prevented from submitting proposals. I would ask the minister whether he will conduct a thorough investigation into what appears to be a sham advertisement calling for proposals, to the detriment of the taxpayers, especially in view of the fact that the Department of National Revenue had already agreed to lease the Bourdignon building before this advertisement was placed, as evidenced by the statement of government employees that the Income Tax Department in Vancouver would be moving in July of this year into a Marpole building.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, without agreeing in any way that this is a sham advertisement, I would be glad to look into the matter.

ESTIMATES

DATE OF TABLING SUPPLEMENTARY ESTIMATES D, 1974-75

Mr. Lloyd R. Crouse (South Shore): Mr. speaker, I have a question for the President of the Treasury Board which relates to a question asked by the Leader of the Opposition. Now that we have had the bad news in respect of expenditures for next year, will the minister tell the House when he proposes to table Supplementary Estimates (D) for 1974-75, and how much more money will be added to government expenditures for that year?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, we are getting ready to table out final estimates in the House in the next few days.

* * *

[*English*]

FINANCE

ALLEGED OMISSION OF SUPPLEMENTARY ESTIMATES D, 1974-75 FROM BUDGET OF NOVEMBER 18

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a supplementary question for the Minister of Finance, that minister who, when he is not winking and blinking, may be nodding. In view of the statement by the President of the Treasury Board that there are to be additional estimates tabled, which I understand will be in the nature of something in excess of $500 million, will he explain why in his budget of November 18 he forgot about supplementary estimates (D) when tabling the expenditures amounting to $24,850 million?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, these were not forgotten, but it will take me some time to explain to the hon. member on an appropriate occasion.

* * *

UNEMPLOYMENT INSURANCE

REQUEST FOR TABLING OF REPORT BY YORK ADVERTISING LIMITED OF OTTAWA

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question to the Minister of Manpower and Immigration concerns a confidential report about the unemployment insurance commission, commissioned by the government at considerable cost to the Canadian taxpayer and submitted by York Advertising Limited of Ottawa. In this report there are very disturbing findings such as that on page eight which refers to "programs we have witnessed appear to be based on some combination of hunches and ad hockery", as well as the observation on page 26 that "the UIC has been considered a dumping ground for incompetents and a career deadend".

Some hon. Members: Order, order!

Mr. O'Sullivan: In view of the concern of members of this House about the Unemployment Insurance Commis-

sion and the very disturbing implications of this report, will the minister table it forthwith in the House?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will note the hon. member's representations.

* * *

AGRICULTURE

BEEF CATTLE—SUGGESTED AVERAGING OF FLOOR PRICE EVERY SIX MONTHS

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to ask the Minister of Agriculture whether he or his department have considered the possibility of averaging the floor price for beef cattle, which he started on August 12, 1974, every six months rather than yearly?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we looked at that suggestion and decided such a program would be so hard to administer it would be impossible to put into place.

* * *

INCOME TAX

REQUEST FOR DELAY IN IMPLEMENTARY NON-DEDUCTIBILITY PROVISION FOR OIL ROYALTIES—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to ask the winking Minister of Finance whether he has received a telegram from Premier Blakeney requesting "a delay in the passage of the portion of the income tax bill dealing with non-deductibility of royalties until after the first ministers' conference"? In view of the premier's desire to seek an accommodation, I should like to ask the minister whether he is considering that very reasonable suggestion?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in the last two days I have been out in Vancouver and I have not seen this particular telegram. I think we have to look at the request with both eyes open, and I do not think it is cause for change.

Mr. Nystrom: Mr. Speaker, in view of the minister's answer, I should like to ask whether he is not now ready to accept or consider that proposal to delay proclaiming this clause until after the first ministers' conference, again in the interest of confederation and unity?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, we dealt with this in the committee of the whole during the debate on the income tax bill. At that time I said the answer was no and I repeat it now before the whole House.

Some hon. Members: Hear, hear!

[Mr. O'Sullivan.]

[*Translation*]

AGRICULTURE

IMPORT CONTROLS ON POULTRY FROM UNITED STATES—GOVERNMENT POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

Since our poultry producers are so literally outraged by massive US chicken imports that this morning in Saint-Damase, in the beautiful riding of Saint-Hyacinthe, some of them set fire to shipments from the United States, can the minister, in cooperation with his colleague the Minister of Agriculture, assure that Canadian consumers, and Quebec consumers in particular, will not be the victims once again at the retail price level of that new war between American and Canadian producers.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be glad to talk it over with my colleague the Minister of Agriculture.

Mr. Wagner: Mr. Speaker, I have a supplementary for the Minister of Agriculture. Considering that our poultry slaughter houses are importing increasing amounts of US chickens to remedy their shortages of fresh chicken, and considering also that the Poultry Producers' Federation is prepared to increase the quotas of our own producers in the event of better control over chicken imports, can the minister state his policy on that, and more particularly could he tell the House whether he intends to intervene, first, at the import level and, second, at the level of his provincial counterparts to develop with them a policy that would be more favourable to our own producers of fresh chicken?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, contrary to what was said in the House yesterday, the poultry stocks are not higher than last year. Actually, they are a little bit lower. The poultry producers have organized themselves, without any national marketing agency, in respect of controls and cut-backs to the extent of 10 per cent in production. They have agreed to that. Without any real guarantee of supply management in respect of such an agency, there is very little I could do as far as controlling imports from another country, at least without getting into what the hon. member has suggested, another so-called trade war.

* * *

HOUSING

MONITORING OF REDUCTION IN SALES TAX ON BUILDING MATERIALS—REQUEST FOR REPORT

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, since the minister of State for Urban Affairs has stated it was his intention to monitor the reduction of sales tax on building materials to see that the saving is passed along to the consumer, will he tell the House how this is planned and when it will take effect so we do not have a repetition of the monitoring of the removal of the

sales tax on clothing, in respect of which stores are notified in advance of any inspection?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, as I stated in the House before, this is carried out by the materials monitoring group of Central Mortgage and Housing Corporation. The indications so far are that the sales tax reduction is being passed on. I am never satisfied, nor are they, and there are continuing inspections and reports which are being accelerated so they will come in more frequently than normal. I am keeping a close eye on the situation.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, will the minister indicate to the House when we can expect a full report on the effects to the consumer of the reduction in the sales tax on building materials?

Mr. Danson: Mr. Speaker, I had not anticipated at this point having a full report. I want current reports on a very regular basis so that we can monitor continually. After a reasonable period of time, I would be very happy to report on the net impact of this. As the hon. member can appreciate, the net impact at any given time is difficult to follow. However, by constant monitoring and questioning we are able to isolate those areas where it is being passed on, as well as those areas where it might not be passed on, and that is where we have to concentrate.

* * *

● (1540)

CONSUMER AFFAIRS

REQUEST FOR REPORT ON MONITORING OF RESULTS OF REMOVAL OF SALES TAX ON CLOTHING

Mr. Steven E. Paproski (Edmonton Centre): My supplementary question is for the Minister of Consumer and Corporate Affairs. Will the minister indicate to the House whether or not he has received the results of the national survey mentioned last November on sales tax monitoring?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, there were delays in the compilation of the information provided by importers and manufacturers. I hope to have that report by the end of the month.

* * *

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR NAME OF PERSON IN CHARGE OF ANTI-INFLATION PROGRAM—SUGGESTED DIFFERENCE OF VIEW BETWEEN MINISTERS ON COLA CLAUSE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. There seems to be some difference in view between himself and the Minister of Finance about certain aspects of the anti-inflation program. Could he tell us who is in charge of this program of the government, is this program directed by the Prime Minister or is it in the charge of a particular minister?

Hon. Mitchell Sharp (Acting Prime Minister): The hon. gentleman has tried to point out differences between the Minister of Finance and myself but he has not succeeded. It has been a lamentable failure. I am very happy to have my colleague here to affirm the policy of the government with respect to this and other matters.

In so far as the anti-inflation program is concerned, this is a joint undertaking of several ministers. If it is under any general direction, it is under the direction of the Prime Minister. Of course, my colleague, the Minister of Finance, has a very important part to play because he is one of the most valuable citizens in this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: It may not be very reassuring but it at least has been some clarification for the Acting Prime Minister to have expressed some doubt as to whether the program is under any general direction.

I should like to ask the Acting Prime Minister whether there is any way in which he can convince any reasonable person that the statement made by the Minister of Finance with regard to COLA contracts on January 28 bears any resemblance to the interpretation which he tried to place upon it in the House recently.

Mr. Sharp: The hon. gentleman will have noticed that the Minister of Finance has agreed entirely with my interpretation.

* * *

[*Translation*]

AGRICULTURE

REQUEST FOR INCREASED FUNDS FOR DEPARTMENT

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I want to direct a question to the Minister of Agriculture.

Since the agricultural issues have not been dealt with in the budget speech this year, in spite of the continuing difficulties in that basic sector of the Canadian economy, could the minister advise the House whether he intends to require special subsidies to cope immediately with the situation, or whether he will wait for the eventually forthcoming supplementary budget of the Minister of Finance to obtain the money required for appropriate action?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have been successful in getting money for agriculture for any legitimate reason nearly any time I wanted, and I am sure that is a known fact.

[*Translation*]

SHORTAGE OF HAY—POSSIBILITY OF IMPORTATION FROM UNITED STATES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a supplementary.

In view of the lack of fodder, particularly hay, in eastern Canada, whose prohibitive price is $100 a ton, and considering that farmers have lots of difficulties in getting some because there in no more supply, could the minister tell the House whether he will take the necessary action to import hay from the United States or elsewhere to allow cattle feeding?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, my department and I have done our best to ensure that there is not that kind of shortage. Up to date, I have not received any official request from the province of Quebec.

* * *

NATIONAL DEFENCE

OVERHAUL OF BOEING 707'S BY TRANSAIR—SUGGESTED CONSIDERATION OF EMPLOYEES OF CANADIAN AVIATION AND ELECTRONICS

Mr. David Orlikow (Winnipeg North): I should like to direct my question to the Minister of National Defence and ask him whether, in view of the promise made by the Prime Minister and the Minister of National Defence last June that there would be 800 aerospace jobs provided in Winnipeg, including personnel working on base for Canadian Aviation and Electronics, and that DND Boeing 707s would be serviced by CAE, and in view of the fact that a contract for a transfer has now been let, has the minister any information which will give some encouragement to the people now working at CAE that they will not be in the unemployment lines in the very near future?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the commitments that were made in June are in the process of being fulfilled. One was that the Boeing 707 repair overhaul would be undertaken in Winnipeg, and that is taking place. Another commitment was that there would be a larger Air Canada presence, and there has been an announcement of a new hangar which is to be constructed. At the same time we set as an objective the creation of 800 jobs. That objective is in the process of being fulfilled. No time limit was set on it.

So far as CAE employees are concerned, every attempt is being made to find work for them at Transair or elsewhere, but particularly at Transair where Boeing 707 work is being done.

Mr. Orlikow: Mr. Speaker, I would like to ask the minister the following question. In view of the letter which he wrote and which appeared on June 14 in which he said that overhaul work on DND Boeing 707s will be done in Winnipeg by CAE in Air Canada buildings, will the minister explain why that is not being done and will he tell members of the House, and particularly workers at CAE, whether arrangements have been made by the government with Transair so that at least the first call for the jobs which will be created at Transair will be given to those people at CAE who have already lost their jobs earlier with Air Canada and are now losing their jobs at CAE?

[Mr. Beaudoin.]

Mr. Richardson: At the time when that statement was made we were mainly concerned with having Boeing 707 work done in Winnipeg so that we could establish a major repair and overhaul capability in that city. Now that has been achieved. At the time, CAE appeared to be the only company that was able to perform that work, and we did not know until my colleague, the Minister of Supply and Services, set out to write a contract, that there was another firm that could do the work. He was responsible for the contract and he gave it to Transair.

HANGAR AT WINNIPEG—DATE OF CONSTRUCTION AND FOR WHOM CONSTRUCTED

Mr. Dan McKenzie (Winnipeg South Centre): I have a supplementary question for the Minister of National Defence. I understood the minister to say that a new hangar is under construction in Winnipeg. I wonder if he could inform the House for whom the hangar is being constructed.

An hon. Member: Where is it being constructed?

Hon. James Richardson (Minister of National Defence): I do not believe I said it was under construction. It has, however, been announced by the chairman of Air Canada, the names of architects have been announced, and it is a project that is clearly underway. However, I am certain that the actual construction has not started.

Mr. McKenzie: Could the minister tell us if the Minister of Supply and Services has found any further contracts for CAE in Winnipeg?

Mr. Richardson: I cannot answer on behalf of the Minister of Supply and Services, but of course there is other work and that company is capable of doing the work, and I expect that they will have additional work in the months ahead.

* * *

BUSINESS OF THE HOUSE

ANSWERS TO QUESTIONS ON THE ORDER PAPER—GOVERNMENT ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct my question to the government House leader. Having regard to the salutary spanking which the parliamentary secretary gave to ministers of the Crown earlier—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: It was a most unique occasion—I have never witnessed it before. May I ask the minister, knowing his desire to make parliament work, following his post-graduate course in London recently at Westminster, and because of the fact that Mr. Speaker very properly stated that he cannot do anything about protecting the right of members to secure information, will he get in touch with the various ministers in the cabinet, having first himself examined the questions, and point out to them the admonition that was given to them today by the

parliamentary secretary, and at the same time let this House know that it is going to operate properly and questions will be answered, however embarrassing to the government?

Some hon. Members: Hear, hear!

● (1550)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have already done so. I have already spoken to my colleagues. I have been told by them, however, and I have examined the question as well, that there are some questions being put on the order paper—

An hon. Member: That are embarrassing.

Mr. Sharp: Not that are embarrassing but that involve an enormous expenditure of public funds. When questions are asked, I think they should be put in a form that can be answered quickly and with a minimum of expense.

Mr. Diefenbaker: Mr. Speaker, a supplementary question to one of the ministers who was spanked, the Minister of Transport. I have every sympathy for a minister who is spanked by a parliamentary secretary—but then every minister has my sympathy. I should like to ask the Minister of Transport to tell us what is the reason for the delay over months—and on the last occasion over two weeks—in answering a question regarding one of our former colleagues, the Honourable Mr. Pickersgill. There is no difficulty there and an answer should not take months. Why the delay?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, sometimes in life there are coincidences which nobody can foresee. At the very moment the hon. gentleman was asking this question, I was signing the answer in my book.

Mr. Diefenbaker: Mr. Speaker, such an unusual act on the part of the government deserves the highest commendation. Those that see wrongdoing and finally act deserve every commendation.

An hon. Member: How long has it been in your book?

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AGRICULTURE

INDEX FORMULA FOR MILK PRICING—SUGGESTED CONSULTATIONS WITH INTERESTED GROUPS BEFORE IMPLEMENTATION

Mr. John Wise (Elgin): Mr. Speaker, my question is for the Minister of Agriculture. On January 24 the minister indicated in the House that a review of the dairy industry had been completed and that an index formula for milk pricing had been finalized. I should like to ask the minister whether he intends to make this formula available for study to the dairy farmers of Canada, producer associations, provincial marketing boards and other interested groups in the industry prior to the implementation of such a program?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not remember the exact verbiage I used on the date the hon. member mentions.

An hon. Member: Did you say garbage?

Mr. Whelan: But a policy has been developed after a long period of study with input from all the organizations and the provinces. We will have final discussions with the people most concerned, the dairy farmers of Canada, before the final formula is presented to the industry.

Mr. Wise: A supplementary question, Mr. Speaker. Is it the minister's intention to introduce this program on or about April 1, the beginning of the normal dairy year?

Mr. Whelan: Mr. Speaker, I hope to have it at least by that time but sooner if at all possible so that people can understand the policy and it can be explained to them before it is actually put into use.

* * *

POST OFFICE

POSSIBLE REMOVAL OF PICTURE OF QUEEN FROM PRESTAMPED ENVELOPES

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Postmaster General. Is it government policy that effective March 3 or soon thereafter the Post Office prestamped envelopes will no longer carry the image of the Queen and if so, what will be represented?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, we have been issuing stamps for many, many years that do not carry the image of the Queen. We will carry the image of the Queen in future years, however, as we have done in the past as well, as, who knows, some day pictures of past Postmasters General.

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EXTERNAL AFFAIRS

POSSIBLE INCLUSION OF CRIMINAL NEGLIGENCE IN EXTRADITION TREATY WITH UNITED STATES—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Acting Prime Minister. On January 24, my colleague the hon. member for Wellington-Grey-Dufferin-Waterloo brought to the attention of the Acting Prime Minister the tragic death of a young boy in Hamilton as a result of a motor vehicle accident. The vehicle was driven by one Thomas Martin. At that time the hon. member asked whether the government was prepared to serve notice on the government of the United States that it should amend the extradition treaty to ensure that the charge of criminal negligence was included. The minister said that this particular point was not raised when he signed the last extradition treaty but that he would take the situation under consideration. This is a very important matter. I wonder whether the minister followed it up and if he has a reply for us?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is my understanding that the Department of External Affairs is consulting with the Department of Justice on this question.

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MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—SUGGESTED INCREASE IN FUNDS TO COMBAT UNEMPLOYMENT IN ATLANTIC REGION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that the increasing unemployment rate is particularly affecting people in the age bracket 15 to 25, and in view of the high rate of unemployment in the Atlantic region, I wonder if the minister is considering, with the increasing number of applications of the Opportunities for Youth program, increasing the funds available to that program in order to be able to stop the steady increase of unemployment for those particular individuals?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are always giving ongoing consideration but no such decision has been made, although the matter is under review at the moment.

* * *

AGRICULTURE

BEEF CATTLE—SUGGESTED DEFERRAL OF INTEREST PAYMENTS ON LOANS TO AID PRODUCERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, a question for the Minister of Agriculture. A lot of young farmers have been encouraged to enter the cattle industry as a result of the government's policy of making loans available under programs such as the Farm Credit Corporation and the Farm Improvement Loans. There is now a slump in the cattle industry, however, as a result of the government's inactivity. Is the government now prepared to defer interest payments or reorganize the Farm Credit Corporation so that as much of the industry as is possible can be salvaged?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not deny that the government did lend some money to help young farmers enter the cattle industry, but I think the hon. member should remember that the provinces did much more to encourage this than the federal government. Any reasonable or responsible request for deferral by any farmer who finds himself in difficulty, will be dealt with sympathetically by the Farm Credit Corporation.

Mr. Korchinski: A supplementary question. Inasmuch as some of the programs have been "stop loss" rather than "make profit", has the government given any consideration to picking up the tab for interest on Farm Improvement Loans?

[Mr. Alexander.]

Mr. Whelan: Mr. Speaker, I do not think we have given any concentrated consideration to this but I would be only too willing to discuss it with my colleague who has jurisdiction over the Farm Improvement Loan program, the Minister of Finance.

REQUEST FOR TABLING OF CORRESPONDENCE WITH PROVINCES ON CANADIAN EGG MARKETING AGENCY

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to address a question to the Minister of Agriculture who on Monday night indicated some willingness to table the telegrams sent to him concerning the operations of CEMA by the provincial ministers of agriculture. There are indications that CEMA is in very bad financial trouble and is not getting the necessary co-operation from the provinces. In view of the urgency of the matter, I wonder whether the minister would table the correspondence so that either the Standing Committee on Agriculture or the House could see exactly what the situation is in regard to the Canadian Egg Marketing Agency?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, during the course of debate the other night I reported to the House that most of the provinces had committed themselves to paying the money. Some of them have paid it. I would say that CEMA is in a better financial position than it has ever been. We are following the proper course, asking permission from the senders of the telegrams, the provincial ministers, to table the telegrams in this House. I hope to have that authority shortly.

* * *

● (1600)

AIR CANADA

REQUEST FOR REPORT ON DIFFICULTIES IN FINANCIAL BRANCH IN WINNIPEG

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a point of order. Last Friday the hon. member for Winnipeg North Centre asked the Minister of Labour if mediation services would be assisting in the serious labour problems of the Air Canada financial branch in Winnipeg. The minister announced that he would look into the matter and report early this week. I wonder if the minister can now report.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I think that particular altercation took place in December and was resolved, although the basic problem has not been resolved. I understand Air Canada indicated they are prepared to open up the agreement and discuss classifications. We are awaiting a reply from the union. This was my information as of a day or two ago, but I will check again.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

The House resumed, from Tuesday, February 18, consideration in committee of Bill C-49, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Chairman: When the committee rose last evening, clause 69 was under consideration.

On clause 69.

Mr. Stevens: Mr. Chairman, I would draw the minister's attention to subclause (3) of clause 69. My remarks may touch on clause 70 as well. The minister received a letter from a gentleman living in British Columbia who said that he cannot work because of a heart condition. At the age of 50 he cannot work at all. The impact of the income tax law is such that he finds himself paying about ten times the amount of tax paid by others who, because of the peculiar wording of the act, are entitled to various exemptions and deductions.

I shall refer to the letter but not reveal the name of the writer. The letter is dated February 3, 1975. The writer says that he wrote to the minister a year ago complaining that a person under age 65 who is forced to retire on pension for medical reasons is victimized by our tax laws. He pointed out as follows:

> —a person such as myself, forced to retire from the public service at age 50 because of severe cardiac condition and unable to work, received no tax relief. I can claim neither the age deduction nor the disability deduction because I am not confined to bed or a wheelchair.

The writer of the letter then suggested:

> Canada Pension paid on a disability basis prior to age 65 should be tax deductible . . . the disability deduction should be allowed those who are unemployable on medical certificate even though their condition does not confine them to bed or wheelchair.

The minister replied in part as follows:

> —there are, of course, situations where an individual cannot be gainfully employed because of disability although he is not confined to bed or wheelchair. It would be difficult, however, to distinguish in the tax law between the varying degrees of disability or incapacity, some of which would preclude gainful employment, others of which would not seriously impair earning ability.

This B.C. constituent comments on the minister's letter and says:

> The validity of this view escapes me. Surely, a person is disabled and unable to work, or he is not; the question being one for medical decision. In my own case, I have been medically certified by the Department of National Health and Welfare as unable to work both for the purposes of the Public Service Superannuation Act and the Canada Pension Plan. What more proof can be required to establish disability?

There are many who are not yet 65 but who for various reasons cannot work. The income tax law does not provide relief for such people who through no fault of their own are placed in an awkward position. The writer of the letter, whose 1974 income was $6,312, compares his position with that of a person aged 65 or more. According to his calculations, he pays $579.40 in tax whereas the pensioner with whom he compares himself pays only $53.60 I wonder if the minister can explain this anomaly. What is the reason for it? I ask this question because several people in my constituency are similarly placed. Will the minister consider reviewing the pertinent sections of the act in order to provide relief for people caught in such unfortunate circumstances?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I remember the particular case to which the hon. member refers. We do receive letters of that sort. I have said on other occasions that the income tax law is a global law and it is difficult to gear it to individual circumstances. We have extended, during the last three years, deductions and exemptions for the handicapped. The clause presently before the committee will further extend them. When I received the letter, which speaks for itself, there was no way to draw a line or to provide significantly different relief for that particular case without extending the law into areas in which its administration might be open to abuse. We are continually studying these cases but we must draw the line somewhere. We have extended decuctions and exemptions again in the budget, as is evident if one studies this and other clauses. I do not have anything to add to what I said in the letter which the hon. gentleman quoted.

Mr. Stevens: Mr. Chairman, could the minister hazard a guess as to how many people find themselves in circumstances similar to those outlined by the writer of the letter?

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman, we could not even hazard a guess. These relieving amendments usually come about because of letters which I or the minister of the day may receive from individual Canadian citizens or from their members of parliament. Or amendments are introduced as a result of the representations of members of parliament. That is how the current increases or extensions of deductions and exemptions have found their way into the bill. We receive correspondence from various parts of the country. At the moment, however, the type of case illustrated by the hon. member is not so widespread as to justify, in our opinion, remedial relief through the tax law rather than by other means.

Mr. Stevens: Can the minister give the committee an estimate of the number of inquiries he has had concerning this type of problem?

Mr. Turner (Ottawa-Carleton): I cannot answer precisely, but there have not been very many.

Mr. Stevens: Mr. Chairman, may I raise another question which is not related directly to clause 69? Can the minister say whether his department is considering giving income tax relief to those who must wear artificial limbs? As I understand it, they are now caught in the position where this necessary item is rapidly increasing in price and there is no provision for any type of deduction in respect of the cost of an artificial limb.

● (1610)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have a feeling, as does the assistant deputy minister, that it already qualifies as a medical expense.

Mr. Stevens: I would like the minister to expand on this. That was my impression until I started to check into it. I was speaking not to the departmental people but to tax consultants, and I could not get confirmation that it was deductible—certainly not 100 per cent.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we will give the hon. member the answer to that question as soon as we look at the regulations. It is a medical expense. We will get the section in a minute.

Mr. Jones: Mr. Chairman, I would like the minister to explain fully subclause (5) on page 178. I would like to know the purport of this provision. Considering the high unemployment situation, how does the minister define the words "perpetual poverty"?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I will be glad to do my best to satisfy the inquiry of the hon. member. This amendment makes a relieving change to subsection 110(2) of the act under which a member of a religious order who has taken a vow of perpetual poverty may deduct from his income an amount equal to his earned income. Earned income is generally income from employment and business. The deduction equals the income which goes to the order and is not taxable to them. Earned income is generally income from employment and business.

Although paid in respect of employment or past employment, superannuation and pension benefits do not form part of the taxpayer's earned income. This amendment, therefore, provides that a taxpayer who is a member of a religious order and has taken a vow of perpetual poverty may deduct superannuation and pension benefits as well as earned income from his income, the reason being that superannuation benefits are not within the general definition of "income" under the Income Tax Act. This amendment will result in a retired member of a religious order being put in the same taxation position as a member who continues to work in a religious order.

Mr. Jones: Mr. Chairman, I do not know how to figure out "perpetual poverty". There are a lot of people in perpetual poverty vis-à-vis a lot of other things. How do you define that? Does a person have to belong to a religious order to get in on this deal?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, this is not the vow one takes when becoming a member of parliament. It is a vow taken in a religious order, under the rules of that order, whereby a man or woman who becomes a member of a religious order of a denomination that recognizes the vow of poverty disclaims any future right to income, the income going to the order. He or she has no future right to that income.

For many years it has been recognized under the Income Tax Act that the deduction from income is equal to what he or she earns by way of employment in a hospital or school. The money is transferred directly to the order. He or she does not get it and therefore pays no tax on it. However, since the definition of "income" within the act does not include superannuation benefits, this is an extension to ensure that such benefits are now included.

[Mr. Turner (Ottawa-Carleton).]

Mr. Jones: If a person is entitled to superannuation or pension benefits, apparently through the order, he must have obtained vested rights in superannuation or some type of pension. He would not, then, be perpetually in poverty. He must have a right: he is not poor.

Mr. Turner (Ottawa-Carleton): His employer, the hospital or what have you, may have contributed to that pension plan. The man or woman has disclaimed a right in it and has assigned it to the order. The amendment provides that he or she is not taxable on it, in the same way that no tax is paid by those who have taken a perpetual poverty vow during their working lives. There is nothing revolutionary about this. It is just a fact that now in hospitals, schools, and so on, members of religious orders who work for nothing, assigning their money to the order, have an extension of that principle upon retirement.

Miss MacDonald (Kingston and the Islands): Mr. Chairman, I ask for clarification on a matter raised by the hon. member for York-Simcoe concerning persons who are forced to retire on pension for medical reasons and feel they have been victimized under the tax law. In his reply the minister indicated that he felt there had not been a sufficient number of representations made to provide for remedial action in this regard. However, in a letter which he wrote earlier, the minister said this had not been brought about because it would be difficult to distinguish, under the tax law, between varying degrees of disability or incapacity. In other words, he stated previously in writing that no changes had been made because of the difficulty of applying medical standards to this problem. He now seems to be saying there are not enough representations to justify remedial legislation. Which of the two reasons does the minister now wish to put forward to these people?

Mr. Turner (Ottawa-Carleton): Madam Chairman, that is not what I said. I asked the hon. member for York-Simcoe how many cases there were. I said there had not been many representations. My reason for excluding this type of deduction is the one I gave to the person who wrote to the hon. member for York-Simcoe, namely, that it would be very difficult to draw a line to include this type of deduction in a global statute such as the Income Tax Act which applies to Canadians generally. I would advise the hon. member for York-Simcoe that I now have the section which allows as a medical expense an artificial limb, iron lung, and so on: it is section 110(1)(c), item (9).

Mr. Wise: Mr. Chairman, I have a question with regard to travel expenses incurred for medical purposes. The case I have in mind concerns dialysis patients who sometimes find it necessary to travel a considerable distance at regular intervals in order to receive treatment. Are such travelling expenses covered in this bill or are they allowed as a medical deduction?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman, within a certain mileage. There is a limit. We incorporated this provision in the last budget. As a matter of fact, the former member for Skeena, Frank Howard, was particularly interested in this. I am trying to get the particular section. We dealt with this matter in the last bill.

Clause agreed to.

On clause 70.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, there is an amendment which I want to withdraw, and I want to substitute another one. There have been several representations, particularly from the hon. member for Duvernay and the hon. member for Lac-Saint-Jean, with regard to the definition of "interest" under this exemption. Hon. members will recall that in the budget of May 6, 1974, reinstated by the budget of November 18, 1974, there was a deduction from income of the first $1,000 of interest. The bill reflects that as net interest. The hon. member put it to me that this might militate against farmers who had borrowed by way of mortgage to finance their farm operations. He put it to me that gross interest would be a fairer way of calculating it. We have looked into this question very carefully and I now propose an amendment to clause 70, page 180 of the bill.

● (1620)

The amendment I am now proposing will have the effect of eliminating the requirement that the deduction in computing taxable income in respect of interest earned be in respect of net interest. As originally proposed, the interest which could be deducted was limited to the taxpayer's interest income minus the deductible interest expenses which he incurred in the year. This approach was proposed in order to eliminate the possibility that a taxpayer might simply borrow funds to generate interest or dividend income which would be free of tax, while at the same time deducting from his income the cost of borrowing the funds. While I am satisfied that there was good reason for this limitation, it has been drawn to my attention that it created serious difficulties for taxpayers who had borrowed funds for legitimate business purposes and were claiming the interest expenses on the borrowed funds.

The taxpayers most affected by this limitation were unincorporated businessmen, unincorporated farmers, members of partnerships and individuals who had borrowed funds to invest in rental housing. The effect of this limitation was to ignore the distinction between what I might term business borrowing and the income generated by what are essentially personal investments unrelated to the carrying on of the business. Under these circumstances, rather than penalize these taxpayers I am proposing this amendment which will ignore interest expenses for the purpose of the interest deduction and will give the deduction for the first $1,000 of gross interest or dividend income.

The reason I have presented this amendment as being effective only for 1975 and subsequent taxation years is to ensure that taxpayers will have their 1974 refund cheques expedited. If a change were to be made effective for 1974, it would mean a delay of at least four weeks, and possibly longer, in sending out refund cheques. This delay would be caused because all the 1974 returns are structured to reflect the net interest concept. Every return which has been processed would have to be redone. The Revenue Canada computer would have to be reprogrammed and every cheque which has been written but not issued pending the passage of Bill C-49 would have to be redone. Having regard to the cost in time, money and inconvenience it appears to be the wiser course to make this amendent effective for 1975. I therefore move:

That clause 70 be amended

(a) by striking out lines 39 to 49 on page 178;

(b) striking out lines 38 to 51 on page 180.

This has the effect of converting the definition of net interest to gross interest. I would like to withdraw from the table—I do not need to withdraw it from the committee because it has not been presented—the amendment I circulated earlier. Hon. members will now be provided with copies of the amendment I have just moved.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I wish to deal with matters which are not dealt with in the amendment.

Mr. Bawden: I, too, wish to deal with the clause as amended.

Mr. Knowles (Winnipeg North Centre): So do I.

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Clause 70 embodies the government's proposal to encourage Canadians to save a little more. Provision is now made in the tax return for the deduction of up to $1,000 in respect of interest receipts and dividends. This is, of course, a welcome concession, a welcome addition to the tax law. Then, again, there is the $2,500 which is deductible in respect of registered retirement savings funds and the $4,000 in respect of those self-employed.

The question I wish to put to the minister has to do with a wider difficulty which the world is facing in an economy which is increasingly capital-intensive. Projects undertaken today cost ten times as much as they did only a few years ago. As a result, economists are advising governments to adopt taxation measures which encourage more individuals and companies to save. These small concessions I have mentioned go in the direction of meeting this request by the economists, but they do not even begin to meet the tremendous demand for capital. In the field of energy-related enterprises alone, the United States will in the next 25 years be requiring between $750 billion and $1,000 billion. In Canada, a nation with one-tenth of the wealth of the United States, we expect to be called on to provide $250 billion of capital to meet the needs of energy-related enterprises.

If we divided the number of years left in this century into $250 billion, we would find that Canada has to raise $10 billion a year to finance energy-related enterprises alone. This involves an important political issue. We have seen over the last 30 years a large segment of the industrial and resource field get into the hands of people in other countries who could provide the capital needed to enable development to take place in that period. Today, the investment needs in the field of energy alone are ten times greater.

There is no point our looking any more to the companies to which we could at one time turn for help in developing Canadian industries; demand for capital is now worldwide. We are dealing, as I say, with the need of $10 billion a year for the energy sector alone, yet all the minister can

do in this budget is provide that if an individual gets $1,000 by way of interest, he can deduct it. I suggest that if the minister is to respond in any realistic way to Canadian needs, he will have to revise his parameters. Only a certain proportion of income can be saved; the rest has to be used in meeting living costs. All those who can save because the family is raised, because they already possess their cars and television sets, must be encouraged to change their habits from those of a consuming society to those of a saving society. Before you can get them to save, you have to give them inducements to save, with the knowledge that at the end of the saving period they will still be able to enjoy the value of their money.

● (1630)

Therefore I come back to the other statement, that I do not think we can rely any more upon large international companies and accumulations of capital from Europe or the United States to help us out. We are faced with the fact that we must increase the amount of savings in Canada on the part of individuals, on the part of institutions that specialize in savings, so as to meet our capital requirements. Unless we do this, we will end up by turning this country over to outside investors who do not necessarily put Canadian interests first.

I put it to the minister that even these large companies cannot cope with this situation. Companies of the world have always relied on the generation of enough earnings and profits to provide the capital flow that will enable them to pay some dividends to their shareholders and to use the balance for new investment. Using the Canadian figures that the NDP are fond of quoting, the profits, for example, of Canadian oil companies are double or triple what they were two years ago. This is true. But if you add up all the profits of the oil companies in Canada, they came to less, at the end of 1974, than one-tenth of our annual need for capital investment in energy-related projects in Canada.

The Minister of Energy, Mines and Resources has warned the Canadian nation that we need $101 billion over the next ten years, which is $10 billion a year, the figure which I have quoted. Yet the Minister of Finance of the same government apparently is not listening to this warning. He has come along with a reduction, a combination of both interest and dividend payments, of $1,000. This is a mere pencil-scratch. Since we cannot get the money for capital flow from the profits of these companies, what are we going to do, Mr. Chairman? We must revise our whole tax structure to put the emphasis on saving, not on consuming. This is a task all nations in the western world will have to undertake during the next 25 years.

My question to the minister is this: Is the recommendation of the Carter royal commission, now eight years old—namely, that we should end double taxation in respect of Canadians who buy equities in Canadian industry—going to be adopted? As the committee probably remembers, the Carter royal commission recommended we should not tax twice Canadians who invest in their own country; we should only tax them once. Then the Benson reform came along and provided a 20 per cent dividend credit on a grossed-up type of income. This was a help. However, Canadians who need capital desperately if they are ever going to own their own country are still being doubly taxed if they invest in Canadian resource industries.

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

The first recommendation of the Carter Commission was that we should integrate corporation tax with personal income tax so as to remove this double taxation. I ask the minister whether this idea is dead. The alternative recommendation was to pass these taxes through to the individual shareholder of the company and make provision for giving him a credit on his individual tax form. I should like to know whether this concept of Carter is dead, in view of the great need for savings in Canada.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the proposal for integration was not quite as the hon. gentleman set forth. Mr. Carter proposed integration to eliminate so-called double taxation by removing the tax on corporations and transferring funds through taxation of individual Canadians on every source of income. Integration was rejected as an option in tax reform and in the statute that was approved as of January 1, 1972. So one could say that integration is not recognized in the statute or in the budget.

Mr. Hamilton (Qu'Appelle-Moose Mountain): That is my point, Mr. Chairman. Neither in the budget of 1972 nor in the statement of 1972 was it recognized; nor is the pass through to the shareholder recognized. I would ask the minister this question: In view of the fact that the situation in 1972 is not the situation of 1975—$1 billion a year covered most of our capital rquirements in the energy related industries three years ago, whereas today we need $10 billion a year—is this Carter proposal dead entirely, or is the minister still willing to consider it for some future budget?

Mr. Turner (Ottawa-Carleton): Of course, Mr. Chairman, the gross-up of the dividend credit is a type of partial integration which is available to the shareholder even if the company is not in a tax position or because of deductions does not pay tax. We recognized some of the necessity for saving in this budget, as we did in earlier budgets. For example, there is the $1,000 interest exemption, the $1,000 dividend exemption that is taken on top of the gross-up. Then there is the registered home ownership savings plan which permits deduction of amounts up to a maximum of $10,000 for each partner of the marriage or, if both are working, up to $20,000 cumulatively. Then there is the capital cost allowance extension without a terminal date, the two-year write-off, and for manufacturers and processors the 40 per cent tax rate.

In other words, Mr. Chairman, over the past two or three years we have made some attempts to arrive at a reallocation that is acceptable. I do not argue with the thesis advanced by the hon. gentleman that in tax statutes we must weigh the balance of convenience against the balance of philosophical assumption as between incentives on one hand and equity to the taxpayer on the other. So incentive is only part of the application of a tax statute. But I do not quarrel with his general thesis, namely, that we must encourage and inject more savings into our economy if we are to respond to our capital requirements.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I thank the minister because that is exactly what I have been

saying. All the techniques that the minister has listed are movements in the right direction. The only suggestion I would put to the minister is that we as one of the western nations must redirect our tax system so as to reward those who save and produce. But we must do so far more rapidly than has been the case to date, even in this improved budget as compared with previous budgets. In effect, I am asking the minister to keep this option open. Even if the principle of equity disappears in the process, we must try to emphasize savings.

Most tax money which is returned to the consumer encourages more spending, which is the currently accepted way to revitalize the economy. But this is not necessarily the right approach over the long term when we have to increase the gross capital stock of the country. I will come later to the other proposal of more rapid velocity flow, but I should like the committee to understand that I support any proposal in the budget that provides incentive to save, even in small amounts. We must start right away to put emphasis on changing the habits of Canadians and get them to devote 10, 15 or 20 per cent of their incomes to savings. This we must do if we are to build up the capital pool that we need in this country.

Mr. McKenzie: Mr. Chairman, my question to the finance minister concerns interest income deductions. For 1974 a husband may claim up to $1,000 tax-free income a year, but may not make any claim in regard to interest received by his spouse. I should like to ask the minister if he is contemplating any change this year, or will he consider making a change next year to allow the spouse's interest to be claimed?

● (1640)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the hon. gentleman is right in his assumption that the interest deduction is only available to the person receiving the interest against that person's income tax. If the wife and the husband both have interest income, each can use the separate interest exemption against his or her income, but they cannot transfer that exemption. I did make one exception to that rule in the budget, namely, with respect to couples 65 years of age and over where one partner to the marriage is receiving income, that partner can use not only the additional exemption for those 65 years of age and over which is applicable to himself or his wife but also the exemption available to the other partner if that partner is 65 years of age or over.

Mr. McKenzie: I also asked the minister whether he was planning to make any change this year in respect of this interest.

Mr. Turner (Ottawa-Carleton): No, I would not count on it, Mr. Chairman.

Mr. McKenzie: Mr. Chairman, I received a letter from a Vancouver real estate firm in respect of the interest income deduction. In this letter the writer points out:

—it has now come to the writer's attention from the Vancouver daily *Province* that if an individual owns an apartment building and has a mortgage or bank loan against the property and consequent interest charges thereon, then the interest charges must be set off against the $1,000 interest earned allowance.

In view of the following this would not appear to be fair or reasonable.

1) The mortgage and bank loan has probably been set up for some time and was not done in order to take advantage of the budget proposals.

2) The purpose was to produce investment income the net of which is taxable.

3) Other points in the budget re depreciation were made in order to create a climate whereby investors would be inclined to produce rental accommodation. This would appear to be working against that possibility.

The writer therefore is of the opinion that mortgage or bank interest paid on this type of investment and interest paid in connection with operating a business should not be considered and should not have to be deducted from the $1,000 allowance.

In addition, an individual may have retained Canada Savings Bonds and used them as collateral for the bank loan rather than cash them in. It is to be presumed that the federal government did not want bonds cashed in or they would not have made them so attractive.

I wonder if the minister is considering this type of complaint.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think we dealt with matter that in the amendment the committee just passed, namely, that the interest is now considered for 1975 and subsequent years on a gross basis rather than a net interest basis. This meets the problem the hon. member has just described.

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, I have a series of questions I should like to put to the minister for the purpose of clarification. The first is in respect of page 178 and the amendment to 110.1(1) (b) (ii), the taxpayer's grossed-up dividends for the year. I note that is defined on page 180, but I find myself at a bit of a loss to understand what exactly is the taxpayer's grossed-up dividends for the year. Is it the dividends increased by the one-third which the shareholder has to declare as earned dividends for the year?

Mr. Turner (Ottawa-Carleton): The answer is yes.

Mr. Munro (Esquimalt-Saanich): That being so, I wonder why the nomenclature has been changed, because normally when one receives a statement of dividends it refers to the taxable amount of dividends. Why is that term not used to simplify matters for simple souls like myself who have all the difficulty in the world in trying to work out their income tax, rather than using a new term, that is, "the taxpayer's grossed-up dividends"?

My second question is related to the extraordinary practice adopted, and to the comments of the hon. member for Qu'Appelle-Moose Mountain who indicated the need for savings. There is actually a penalty being imposed on those who have saved because of the necessity of having to gross up their income by declaring more income than they have actually received. I am wondering how this extraordinary practice ever crept into our law and, having done so, why it was retained. Has that been lost in history?

Mr. Turner (Ottawa-Carleton): I got the preamble but I did not get the question.

Mr. Munro (Esquimalt-Saanich): My question relates to this grossing up of dividends and the desire—in fact, the need in this society of ours—to save. A person who has

saved and draws dividends is penalized for saving because he has to declare more revenue than he actually receives—one-third more as far as dividends are concerned—and he has to pay taxes on that extra income. I know this is not new in the bill, but it has been puzzling me for many years. I have received numerous complaints from people who say they refuse to sign the statement that they have received this income, because they have not received it.

I see the minister blinking, winking and sniggering, but this is one of those things that ministers do. People who have put a good deal of effort into laying aside money in order to earn an income when the moment comes to retire are now penalized for having done so. About a month ago I made a plea for those members of our society who are over 65. I maked this plea for all members of our society who are still trying to save and are being taxed on income they are not receiving. There is a tax rebate, but it still does not bring the dividends down to the actual amount received by the bondholder or stockholder.

Mr. Turner (Ottawa-Carleton): The story behind this gross-up is a long one. The House went into it in great detail when we were discussing tax reform. In respect of income against which the tax rate is 40 per cent or less, the taxpayer in Canada who receives dividend income gets an advantage from the gross-up and that advantage encourages savings. The hon. gentleman ought to recall that the amount of the gross-up is also reflected in the tax credit against taxes.

Mr. Munro (Esquimalt-Saanich): It is reflected against what?

Mr. Turner (Ottawa-Carleton): The taxpayer gets a bigger tax credit because of the gross-up until his income reaches the stage where he would be paying at the 40 per cent rate. Until that point the gross-up is an advantage to him or her.

Mr. Munro (Esquimalt-Saanich): I must say that this baffles me. Perhaps my mathematics are not as good as those of officials of the Department of Finance. I will have to take the minister's word for it, because I do not follow this.

Mr. Turner (Ottawa-Carleton): I think the best thing I can do for the hon. gentleman is to send him a letter in which I will outline the gross-up provision. It has caused confusion, and I am sure I receive as many letters about it as the hon. member. I will set it forth in a letter.

Mr. Munro (Esquimalt-Saanich): I would be very happy if the minister would do that. I should like to ask one more question for clarification. Again, this relates to page 178 and the $1,000. Let us take the hypothetical case of a person who spends up to the hilt of his income but has an income which is taxable. Can he claim the $1,000 whether he saves or not?

Mr. Turner (Ottawa-Carleton): No; the exemption from taxable income is only in respect of interest or dividend income. The clause reads:

● (1650)

For the purpose of computing the taxable income for a taxation year of an individual . . . there may be deducted from his income for the year an amount equal to the lesser of

(a) $1,000, and—

[Mr. Munro (Esquimalt-Saanich).]

Mr. Munro (Esquimalt-Saanich): But that has been amended.

Mr. Turner (Ottawa-Carleton): In other words, you claim either $1,000 of interest or dividend income or whatever your interest or dividend income was up to $1,000. So it is only interest or dividend income.

Mr. Andre: You should have said "the lesser of".

Mr. Turner (Ottawa-Carleton): That is right. It is your actual interest or dividend income up to $1,000.

Mr. Munro (Esquimalt-Saanich): I am sorry, but I found it very confusing to read, and I am sure that those of us who within the next month or two will be filling in our income tax forms will find it even more difficult. I have another question with regard to page 179, the recurrence of paragraph (2) in this case, and page 181, section 110.2. The recurring paragraph (2) again lists those elements which may not be included, such as, "For the purposes of this section, interest shall not include any amount," etc. Presumably the section is 110.1—or is it 110.2?

Mr. Turner (Ottawa-Carleton): On page 179 the section is 110.1.

M. Munro (Esquimalt-Saanich): It refers back? Are these the exclusions?

Mr. Turner (Ottawa-Carleton): That is right.

[*Translation*]

Mr. Lessard: Mr. Chairman, I would like to say a few words of thanks to the minister and express my satisfaction, and that of all my colleagues who made representations to him, and introduced the amendment which has just been moved and passed; this amendment will obviously be advantageous for a special group, for which I have a soft spot, the farmers, and of course the small investors.

I also wish to congratulate and thank the minister. The clause which authorizes an exemption of $1,000 in investment income meets the request I have made repeatedly, not only to this minister but also to his predecessors in past years as well as to the right hon. Prime Minister. I am personally very happy to see that this is now becoming part of our legislation, and that Canadians will be encouraged to save for their old age, to take care of themselves.

However, I should like the minister to explain to the House what interpretation applies to credit unions, savings unions and other similar Quebec savings and investment groups: will their members be authorized to deduct the interest on their investments in these savings groups, under this new exemption?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, first I should like to make a brief comment on the very

human reply made by the Minister of Finance to the hon. member for Esquimalt-Saanich a few minutes ago when he said that these words mean "your interest up to $1,000." This is very simple, is it not? Why cannot that language be used in a thousand other places?

Mr. Munro (Esquimalt-Saanich): I am right with you.

Mr. Knowles (Winnipeg North Centre): Why cannot that simple language be used in income tax legislation and pension legislation? Yesterday we had before us a bill to amend a dozen different superannuation acts, and that unclear language appears all the way through it—"the lesser of" this and that. When one looks at it, one must translate it into double negatives and go back again, but the minister himself can stand up and in a split second say that what it means is "your interest up to $1,000." I was glad to see the mandarin sitting in front of the minister laugh as he did. I hope he got the hint.

Mr. Turner (Ottawa-Carleton): The mandarin sitting in front of me was smiling because this was drafted by the Department of Justice.

Mr. Knowles (Winnipeg North Centre): But the Minister of Finance used to be the Minister of Justice. Why did he not do something about this when he was there?

We are now on clause 70 which runs from page 178 to page 185. It does quite a few things, but in the main it does two things: it provides for a $1,000 interest deduction from one's taxable income which applies to the taxation year 1974, and it provides for the deductibility of $1,000 pension income which will apply to the taxation year 1975. My friends to the right have already expressed their welcome acceptance of the $1,000 interest deduction, and I join with others in saying that this is fine for those who have interest income and can get this extra advantage. I say the same thing with respect to the deduction that is to be allowed for pension income which will apply in the taxation year 1975, with which taxpayers will be coping when they complete their returns in April of 1976.

I say, on behalf of persons over 65, and the pensioners under 65 in some cases who will benefit from this, that for all of them it will be very welcome. But the minister knows very well what I will say: what about the 50 per cent or more of persons 65 and over who pay no income tax? The statistics back up the percentage I just gave. There are about 1,800,000 Canadians of 65 and over who draw old age security, and more than half of those who draw old age security also draw the guaranteed income supplement.

If they are drawing the guaranteed income supplement, it means they have little or no other income. The guaranteed income supplement is already non-taxable, so I submit that it is not a far-out estimate that about half of our senior citizens 65 and over already pay no income tax, so this benefit—which is welcomed by those who do pay tax; by those who have savings, to use the language of my friends to the right—does not apply to those persons who should be remembered but whom this minister has forgotten.

The minister may want to tell me that this is one of the budget bills and is not a bill in the name of the Minister of National Health and Welfare. But I remind him that on more than one occasion when an election was ensuing, budget speeches told us of improvements that were going to be made in the pensions of senior citizens and others. The minister is smiling and acknowledging that he has done this himself. I say to the minister that if he is really concerned about the income position of our senior citizens, he should be matching these income tax deductions with an increase in the basic amount of old age security so that improving the position of senior citizens will be put into effect across the board and will not apply to only half or less than half of those who are in that category. I hope the minister will comment on that.

● (1700)

The minister said earlier today that his views were expressed at the conference of provincial health ministers by the Minister of National Health and Welfare with respect to a guaranteed annual income. As I said to my colleague when he made that reply, "That is what bothers me". It was the minister's answer on that that the Minister of National Health and Welfare had to make. He is in a pretty key position as keeper of the treasury. I should like to hear from him how he managed to forget the other 50 per cent of senior citizens. My friend from Esquimalt-Saanich wants to go further than the Minister of Finance, in relieving those over 65 of income tax. If he can carry that through, that is fine, but even that program, no matter how much you provide income tax deductibility for senior citizens, will be of no help to those who do not receive enough income to pay any income tax at all.

Mr. Chairman, there is another question I want to put to the minister which is quite unrelated to what I have been talking about, but it will save me jumping up and down and perhaps when the minister replies he will deal with it as well. At the top of page 183 of Bill C-49, there are some words that indicate what happens with reference to this $1,000 pension deduction in the case of a taxpayer and a spouse. The minister was good enough to give a simple answer to the hon. member for Esquimalt-Saanich. I wonder if he will give me an equally simple answer as to what the words at the top of page 183, lines 1 to 20, really mean.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, public pensions and the Canada Pension Plan now have an index system to a certain extent. We have indexed the guaranteed income supplement and the old age pension to protect people 65 and over against the erosion of the purchasing power of the dollar. This is to protect those citizens who have saved or contributed to non-public, private pension plans, including most of the workingmen and women in this country. I think we are putting them in a position where the erosion of what they might have otherwise expected from their pensions by reason of inflation over the last 18 months is somewhat compensated by rendering the first $1,000 free of tax; in other words, putting the workingmen and women of this country, particularly those who have private pension contracts with employers, in the same position as those with public pension plans.

The hon. gentleman also asked about the exception that I mentioned to the hon. member for Winnipeg South Centre when he inquired whether the $1,000 interest

exemption was transferrable from one spouse to another. I said it was not, and the only exception to that was the exemption against income tax given to everybody of 65 and over. Obviously, the exemption can only be an exemption against income, and in the situation of most married couples 65 and over, it is only one of the couple receiving income against which the exemption can be used. As additional relief for couples 65 and over, the spouse who files an income tax return because he or she has income can use as an exemption not only the extra $1,000 but also the exemption available to the spouse which the spouse would not be able to use otherwise because there was no income available.

Mr. Knowles (Winnipeg North Centre): That is the age exemption?

Mr. Turner (Ottawa-Carleton): This is the age exemption.

Mr. Knowles (Winnipeg North Centre): I appreciate the fact that the minister is making it clear that when there is only one taxpayer of two persons in a marriage, that taxpayer can claim the 65 or over age exemption for both parties. What I see at the top of page 183, however, has to do with the $1,000 pension income on top of the age and other exemptions. What I am asking is, if there is a taxpayer who already gets the $1,000 extra exemption because he is over 65, and another $1,000 because his spouse is over 65, and if he has pension income of over $1,000 and so does his spouse, do both of them get the extra $1,000?

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman, only the spouse who files the return. In other words, the $1,000 pension income is not transferrable. If the other spouse has other sources of income, that exemption will be available. The hon. gentleman stated the case correctly for the 65 and over exemption, but there is no cumulative privilege for the $1,000 pension.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I do not think the minister is satisfying me as easily as he satisfied the hon. member for Esquimalt-Saanich. Looking at the language at the top of page 183, it reads:

> (5) Where the spouse of a taxpayer
>
> (a) has attained the age of 65 . . . has received pension income in the year . . .
>
> the taxpayer may, in addition to the amount, if any, deducted by him . . . deduct an amount equal to the amount, if any, by which the lesser of
>
> (c) $1,000, and
>
> (d) the spouse's pension income or qualified pension income, as the case may be, for the year
>
> exceeds
>
> (e) the amount deductible in the year by his spouse under subsection (1) or (2) as the case may be.

The minister just said it is not transferrable at all, that if one spouse is the taxpayer he claims only the $1,000 pension income exemption, but this clause seems to say there is something in addition that he can deduct. My unprofessional reading of this leads me to believe he can deduct something, but I cannot figure out what it is. Surely the minister is not right in saying that this clause provides there can be no additional deduction when the words I have just read say he may deduct such and such. What is that such and such?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we will look into that question.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, may we just wait a minute so there can be communication with those who know? I hope my point is clear. The minister has said there can be no extra deductibility, yet the words at the top of page 183 seem to suggest there can be deductibility in addition to what the taxpayer has already claimed.

An hon. Member: Is that true?

Mr. Turner (Ottawa-Carleton): I just want to make sure this is right, Mr. Chairman.

Mr. Knowles (Winnipeg North Centre): I suspect other members want to speak on this clause, so maybe my friend will work on it and get some word from upstairs, and we can come back to it later. I think the question deserves to be answered. While that is being done, Mr. Chairman, may I pose another question to the Minister of Finance? In doing so I want at the outset to admit and declare a conflict of interest.

Mr. Turner (Ottawa-Carleton): You are not that old.

● (1710)

Mr. Knowles (Winnipeg North Centre): Let me say at the outset also that having declared the conflict of interest in what I am going to raise, if the deduction which I think ought to be allowed is granted, I will not claim it when I file my income tax return. I am not putting on any halo; I just want to do what is right.

Mr. Nowlan: You have never taken your halo off.

Mr. Paproski: If Moses could deduct it, why couldn't you?

Mr. Knowles (Winnipeg North Centre): I happen to be a member of the International Typographical Union. I do not believe he was. Are there any other members here? The International Typographical Union has a pension plan which is in some difficulty. If I retire—and I say "if"—there may not be any money in it for me, so that is that. However, questions have been raised in the last year or so about the rights of the members of the International Typographical Union to claim a deduction for the payments they are making into that pension plan, on the ground that it is not the usual type of pension plan but a fraternal benefit arrangement. It was recognized for tax deductibility for many years, but within the last couple of years the plan has been questioned. Actually, the matter has been under dispute or discussion between the union and the Department of National Revenue. It may even be under appeal at present.

It strikes me, as I read the language of the bill, that the Department of National Revenue may have to disallow these payments into that plan. But I appeal to the minister to look again at the law or to ask the people of his department to look again at the law. The reason I do so is

that the workers, the members of this union, are making contributions which are reasonably substantial. The plan has been set up solely for the purpose of providing pensions for their fellow workers. The money is not put away in a registered retirement savings plan or in a trust company; it is held by the union which operates on a "pay as you go" basis. Pensions are paid each year to those who have retired, out of the funds which come in each year from those who are working.

My point is this: Canadians who are in this union are making payments into a fund the purpose of which is to provide pensions. They make these payments in the hope that when they retire they will get their pensions from this same fund. Yet, as I said, the Department of National Revenue is questioning the right of the members of that union to claim deductibility. It was Mr. Abbott many years ago who brought in the provision allowing for deductibility of trade union dues and who separated pension plan payments from other income. This worked well for years. Now there is this trouble. While the Department of National Revenue is considering the matter in terms of the law as it now is, would the minister look at it and consider my contention that the law ought to be changed to cover this kind of case?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I will certainly do that.

Mr. Patterson: Mr. Chairman, I wish to ask another question about the $1,000 exemption which has been included for the express purpose of encouraging savings. Senior citizens receiving the old age pension are not affected by this particular exemption. Yet, if my information is correct, interest from savings does affect entitlement to GIS. Will the minister clarify this point? If I am right, I suggest that the law will discourage savings, whereas those who have been less thrifty and have spent all they earned will benefit: such people are entitled to OAS and GIS, whereas those who have saved money and enjoy interest income will not be entitled to GIS or will not be able to participate fully in that program.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the hon. gentleman is correct in his interpretation. The incentive to save, in other words equalization for those who have taken pains to provide for themselves, is recognized by this exemption of $1,000. Equalization is not included under GIS because the GIS is an income tested supplement to the old age pension. So in recognition of the incentive and because we want to encourage people to save for themselves, we have allowed this interest exemption from income.

Mr. Patterson: It seems to me that those who did not save will receive assistance from society, whereas those who have saved or who have denied themselves will be penalized. I wonder if the minister could consider this particular point and declare that GIS shall not be affected by interest income.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think we have an answer for the hon. member for Winnipeg North Centre. The way the bill is now drafted, it provides that if the non-taxable spouse is not in a tax bracket and has pension income of, say, $500, that pension income is deducted from the marital exemption available to her husband. What this transfer does is restore the full exemption despite the pensionable income but does not transfer the pensionable income exemption. Does the hon. member follow? In other words, the pension income is exempted as a deduction from the marital exemption available to the other spouse but the total exemption is not transferred. So what I said to the hon. gentleman still stands: the pension exemption of $1,000 is not transferred to any pension received by the other spouse who is not otherwise taxable; that is not considered in lowering the marital exemption available to the taxable spouse. I hope that is clear.

Mr. Forrestall: As clear as mud. Would the minister mind repeating it?

Mr. Turner (Ottawa-Carleton): If the hon. gentleman consults legal counsel, the hon. member for Broadview, I think this will be explained.

Mr. Gilbert: I will charge a fee.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I think the minister has been able to state it in such a way that he can contend he did not make a mistake in what he said previously. At least it is a fact that an exemption of up to $1,000 is available, but it is under a different name. You can do it by the restoration of the marriage exemption, which otherwise would have been lost.

Mr. Turner (Ottawa-Carleton): If the hon. gentleman wants to put it that way, we were both right.

Mr. Knowles (Winnipeg North Centre): I still think that the wording on page 183, between lines 1 and 20, could be improved. Instead of using wording like "the lesser of" this or that, why cannot the Department of Finance come up with better language, or if Finance cannot do it, why cannot the Department of Justice do it? In another moment I shall defer to someone else. The minister, in replying to my initial comments about his not doing anything for those senior citizens who are not taxable, was trying to make the point that those who live only on OAS and GIS are getting escalation, and he says that all he is trying to do is provide a comparable improvement to those who have other income as well. I point out that those who have other income as well also have their OAS escalated. May I also remind him that this escalation about which he, the Minister of National Health and Welfare and others over there boast so often, is always behind. It never keeps the retired person up with the cost of living, let alone up with the standard of living or in line with the gross national product.

● (1720)

If the minister now says that the 45 or 50 per cent of old age people who have other income and who suffer from inflation need restoration of their income or the protection of this $1,000 exemption for taxation purposes, I say to him that the other 45 or 50 per cent who are not in the tax bracket need it even more. I suggest that the minister go back to cabinet and get together with the Minister of National Health and Welfare. Let him face this problem and come back some time soon with a substantial increase in the amount of the basic old age security pension.

Mr. Patterson: Mr. Chairman, in order to further encourage savings, will the minister consider making interest income non-income for guaranteed income supplement purposes?

Mr. Turner (Ottawa-Carleton): As I said earlier, the guaranteed income supplement is an income test situation and all sources of income are taken into consideration. We have to provide for the savings incentive by reason of the exemption now before the House.

Mr. Jones: I would like further clarification of the definition of "qualified pension income" which appears on page 182. Unless there have been some changes, qualified pension income is defined as income received by the taxpayer in the taxation year in the amount prescribed, and it goes on with a lot of rubbish which apparently is technical, legal jargon about being received by the taxpayer as a consequence of the death of his spouse. Then on page 183 it refers to the spouse of a taxpayer and benefits received by the taxpayer as a consequence of the death of his spouse, which does not make any sense to me.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we cannot follow the hon. member. Is this on page 182?

Mr. Jones: Page 183.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I wonder whether the hon. member would repeat the question.

Mr. Jones: I ask the minister to look at the definition of "qualified pension income," particularly the last words. This is on page 182. The last part is "received by the taxpayer as a consequence of the death of his spouse." On page 183 it states "where the spouse of a taxpayer has received qualified pension income in the year". That does not seem to make good sense. I do not know whether this is the justice department or the Department of Finance. There is something wrong.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I do not think there is any conflict there. The words on page 182 are:

—were read without reference to the words "if before the end of the year the taxpayer has attained the age of 65 years,") received by the taxpayer as a consequence of the death of his spouse.

There is no conflict there. One refers to the transfer payment and the other to the type of income that is eligible.

Mr. Jones: It is received in consequence of the death. The other spouse is dead. It then says "where the spouse of a taxpayer". You are just talking out of this world.

Mr. Turner (Ottawa-Carleton): As I said earlier, there is no problem. One has to do with his receipt of income and what qualifies for the exemption. The other has to do with the transferability of the spouse's eligibility in the 65 and over situation. There is no conflict here. We will look into the point raised by the hon. member, but I assure him we think his concern is unfounded.

Mr. Neil: Mr. Chairman, I would like some clarification. "Pension income" and "qualified pension income" are described on page 182. It does not include Canada Pension Plan income. There may be a situation where a person is in receipt of old age security plus Canada pension and is taxable. Someone else might be in receipt of old age security, Canada Pension and a private pension of about $1,000. The $1,000 private pension would be exempt from tax. He might pay tax on the Canada Pension and old age security pension. This places a person with a combination of Canada Pension and a small private pension in a much better position than someone who is only in receipt of the old age security pension and the Canada Pension. Am I correct in this assumption? If I am correct, this seems to be an unfair situation.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the Canada Pension and the old age security amounts are not eligible for this interest deduction because they are publicly financed plans, whereas private pension plans are contributed to by the taxpayer.

Mr. Neil: Mr. Chairman, the Canada Pension is contributed to by the taxpayer and by his employer. I am pointing out that there is a situation where a person might have a small private pension in addition to his Canada Pension. He is in a much better position than a person with only the Canada Pension and old age security. This seems unfair because the Canada Pension has been contributed to by the taxpayer and his employer, but it is not eligible for any deduction.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, there are two reasons why these payments have been excluded: first, they are already indexed; second, they are heavily, and properly, subsidized from the public purse. For those reasons it was felt it was not appropriate to render them eligible for further tax deductions.

Mr. Nystrom: Mr. Chairman, there is no doubt that, if not millions then certainly hundreds of thousands of Canadians, will be very happy with a pension deduction, interest deduction and dividend deduction. I want to present the argument to the minister that even though a lot of people will be happy, this measure is not based on equity. As the hon. member for Winnipeg North Centre pointed out, there are many people who do not have other pensions. My grandparents and many others of their generation in Saskatchewan are basically poor. All they receive is the old age pension and the guaranteed income supplement. This provision will be of no value to them; it will not give them any additional tax exemption. That is why I resent this type of move; I do not believe it is based on equity.

The same is true of the interest and dividend write-offs. I am as concerned about people saving as the hon. member for Qu'Appelle-Moose Mountain. It is possible to write off $1,000 in interest and dividend income. With today's interest rates, you can have savings of $10,000. When you look at $10,000, you are looking at the upper income bracket. The average worker might be able to write off $50, $100 or $200. He will be pleased with that.

Mr. Andre: The word is "incentive."

Mr. Nystrom: This is where I disagree with the members of the Conservative Party. I do not think this type of

move provides any incentive except to those in the upper income bracket. What about those who do not have any savings? We would be better off if we spent this money on providing a tax cut. That would put the funds where they are needed, to buy food, clothing and the other necessities of life. It would help stimulate the economy. This would create more work and the economy would be in a much better position. But when you have this type of program, again the wealthier persons in our country will get the advantage. I am sure that statistics will bear that out. It will help some working people and some ordinary farmers by letting them write off $50 or $100 per year, but will also help people like, for example, lawyers, accountants, doctors and businessmen who have $8,000 in savings or $10,000 or $20,000 invested in stocks or bonds. I think that is the wrong way of going about it.

● (1730)

This is a very attractive little gimmick. As I said at the outset, it will make people very happy, but I don't think will work toward a more egalitarian society; and if you have a more egalitarian society I think society in general will be stronger. You will give people the basic necessities of life and also a greater incentive to work. I do not buy the old argument that you must give those who have money greater incentive so that it will trickle down from the top to the bottom.

The hon. member for Qu'Appelle-Moose Mountain said we will need a lot of money in the future to provide energy in this country. I agree: we will need billions and billions of dollars. But I do not think you can raise it this way. There are other ways of raising that money. You will not raise it by providing even greater incentives for those in the top income bracket of this country. I believe in the Carter principle which says that a buck is a buck. Why should I pay tax on my parliamentary indemnity? But if I have a couple of thousand dollars in the bank, why should I not pay tax on the couple of hundred of dollars I get as interest?

Mr. Andre: You could leave it in the bank, because other people need it.

Mr. Nystrom: Perhaps the business community will borrow that money and reinvest it. I do not buy that type of free enterprise argument. I think you can raise a lot of capital in this country in many other ways, and it strikes me as rather strange that whenever we talk about equity in Canada or whenever we talk about putting more money in the pockets of the little guy, the Conservative Party reacts very violently. I think the way to stimulate the economy is to help the little people in this country and give them more incentive to enjoy life, to be productive in the economy. If you do that, the beneficial effect on the economy will be widespread. It will be a very positive factor in the economy.

Therefore, I wish the Minister of Finance would not travel this route. I wish, instead, we would take the funds we have available, provide tax cuts for the ordinary person and low income earner and in that way stimulate the economy for all Canadians.

Mr. Gilbert: Hear, hear!

Income Tax

Mr. Stevens: I have two or three questions to put on this clause. I should like the minister to explain the reasoning behind the requirement that the interest credit to be allowed must be generated within Canada as opposed to sources outside Canada. Undoubtedly the minister has received letters from pensioners in this respect. I have one before me, a letter from a man 80 years old who receives a pension from England. He is 100 per cent disabled as a result of war injuries. He is receiving a First World War pension from Great Britain, and he points out that because of its wording this clause will be of no assistance to him since it will not apply to his interest income from the British Isles.

Mr. Turner (Ottawa-Carleton): Foreign pension income will qualify for the $1,000 exemption on pension income. Foreign interest will not qualify for the $1,000 interest exemption. The purpose is to encourage savings, and it is to encourage savings in Canada. That is the policy reasoning.

Mr. Stevens: Was any consideration given to providing an exemption in a situation of this kind? Could the clause not have been drawn in such a way as to apply to new investment, leaving existing interest, from whatever source, as a basis for the exemption?

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman; that would be an administrative nightmare.

Mr. Stevens: I thought the bureaucracy liked those nightmares. Coming back to the question of the $1,000 eligibility for both the husband and the wife, let us assume that the wife has the $1,000 interest income: as I understand it, she will be entitled to the $1,000 exemption. What happens to the husband's ordinary claim for deductibility in respect of his wife? Is it lowered by the amount of her interest receipts?

Mr. Turner (Ottawa-Carleton): Not in 1975; but in 1974, yes. There is no way we can make that adjustment in time for 1974 because some returns have already been filed.

Mr. Stevens: But the situation to which I referred will be caught in 1975 and ensuing years?

Mr. Turner (Ottawa-Carleton): It is the same principle as I discussed with the hon. member for Winnipeg North Centre. The interest income of the spouse will not be considered as lowering the marital exemption of the taxpayer.

Mr. Stevens: Up to $1,000?

Mr. Turner (Ottawa-Carleton): Right.

Mr. Stevens: The minister has undoubtedly received representations and briefs from the life insurance industry concerning his proposal. In particular, the industry feels it has been let down very badly. The minister's predecessor, Hon. E. J. Benson, at the time he proposed a 15 per cent tax on the investment income of life insurance companies stated that in equity this would be the net income tax position the companies would have to endure. The industry now feels this clause fails to take into account the 15 per cent the companies are required to pay

on their investment income and that the pass-through provisions do not properly take into account the fact that those who are saving through life insurance companies have lost the 15 per cent. When the money is finally taken out they are not given a credit for this.

I understand the industry has placed alternatives before the minister and has been turned down with regard to all but possibly the alternative which I understand is already in existence in Australia, Great Britain, Germany, Holland and South Africa. Under this proposal, 50 per cent of allowable premiums could be deducted in calculating income, up to a maximum of $1,000 less any amount claimed under the exempt investment income provision. There would be a limit on premium rates to prevent abuse. The deduction would not apply to registered policies and would be confined to policies on the life of the taxpayer, his spouse or a dependant child. Would the minister indicate his attitude toward this representation, and does he propose to move an amendment to accommodate this point?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the matter is still under consideration. As a matter of fact, I signed a letter to Mr. Tuck, general manager of the Association of Life Insurance Companies, today. We allow as an exemption, under the $1,000 exemption feature, that portion of the policy which is surrendered and bears interest. We made that recognition of the interest content in the policy. We are looking at the general 15 per cent on a different basis. As for the deductibility of the premium, the principle is that if it is deductible on the way in, it is taxable on the way out. Insurance policies are not taxable on the way out, and for that reason we have not allowed the deductibility of premiums.

● (1740)

Mr. Orlikow: Mr. Chairman, I join the hon. member for Yorkton-Melville in registering my objection to the kind of principles in our income tax laws which in my view create a situation where people at the bottom of the taxable income range pay a much greater proportion of their income in tax than do people in the high income brackets.

Looking through my files this afternoon I came across an article by David Crane who was with the Ottawa bureau of the Toronto *Star* for several years. The article was written in 1973 and he analysed some of the information released by the revenue department relating to the year 1971. According to this article, in 1971 there were 265,000 old age pensioners, who reported incomes averaging $4,385. They paid an average federal income tax of $415 each; those in Ontario paid another $114 each in provincial tax. On the other hand, four of the richest people filing tax returns in Canada in 1971 ended up paying no federal or provincial income tax. The combined incomes of these four unidentified persons amounted to almost $1.5 million. Each had annual earnings of at least $200,000. Another four wealthy people, each with an annual income of at least $100,000, reported earnings that added up to $517,000—but they also managed to avoid paying income tax.

In 1971 there were 204 Canadians with incomes of $25,000 or more who paid no income tax. Of the people with incomes of $25,000 to $50,000 a year, there were 128 who avoided paying income tax of any kind. I should like

to know how they do this. I am not talking about people who broke the law, but about people who used provisions placed in the income tax law over many years giving precisely the kind of exemption we are discussing now. The $150 or $200 interest that I will earn because I have some savings bonds I will not pay income tax on, though I do pay the regular rate on my parliamentary indemnity.

To go back to the four people with an income of more than $200,000 each, together these four reported receiving wages and salaries of $255,000, business income of $155,000, rental income from properties they owned of $10,000, gross dividends from shares in corporations of $255,000, bank interest of $59,000, income from foreign investments of $769,000, and so on. These four people with, as I have said, a combined income of almost $1.5 million were able to claim $2,632,000 in deductions. These included medical claims of $10,000, alimony of $100,000, charitable donations of $9,000—they were not very charitable—and personal exemptions and pension plan contributions of $6,000. They also claimed $2,286,000 in deductions from investment income. This covered a wide variety of allowances ranging from interest costs on money borrowed to make new investments, depletion allowances on oil, gas and mining investments, and investment advice and accounting costs.

The point I am trying to make is that over the years we have made our income tax laws more and more complicated. Every clause we have added has benefited almost exclusively the people in the middle and upper income brackets. Like the Carter commission, I believe that a buck is a buck. I do not think it matters whether a person earns his living as an electrician or as a carpenter receiving an hourly wage, or whether he has an investment portfolio which pays him two, three or five times as much as a person who works with his hands; he has income from which he derives benefit, so surely he should pay tax on his total income.

I cannot even accept the idea that what we should do today is encourage savings. We have almost one million people unemployed. The reason they are unemployed is that the people of Canada do not have the money with which to purchase the goods we produce: they do not have the money required to buy automobiles or to buy houses.

Mr. Andre: This sounds like social credit.

Mr. Orlikow: No, it is not social credit. What I am saying is that in this day and age we want to encourage people, particularly those in the lower income brackets, to live better and to spend more money. If instead of giving tax exemptions to people in the upper and middle income brackets the Minister of Finance would close off these tax loopholes, he could do what my colleague from Winnipeg North Centre has said, namely, sharply raise the basic pension paid to old age pensioners. He would be able to increase the basic exemption for people paying income tax and he could probably cut the income tax rate for all taxpayers.

Mr. Guay (St. Boniface): That is what they should start doing with the provincial income tax rates in Manitoba.

Mr. Orlikow: If the hon. member for St. Boniface wants to discuss income tax in Manitoba, I would be very happy to debate it with him in his own constituency in Winnipeg.

I would be happy to ask the people of his constituency whether they prefer a system where, if you make less than $9,000 a year, you do not pay for hospital care or medical insurance, or a system where a person earning over $9,000 does pay for such things.

Mr. McKenzie: Tell us about the auto pact.

Mr. Orlikow: I would be happy to discuss the auto pact with the hon. member for Winnipeg South Centre any time he wants. I suggest that he should come to my office tomorrow morning and we will call a couple of agents—

The Deputy Chairman: Order, please. I think we should direct our attention to clause 70 as amended.

Mr. Orlikow: I was trying to stick to clause 70, Mr. Chairman, but I was rudely interrupted—perhaps not rudely, but loudly interrupted by members on both sides. Let me conclude by telling the minister that I hope if he continues as Minister of Finance, before his next budget, which will probably be coming forward in a couple of months, he will take the time to read the Carter commission report and take to heart some of the basic recommendations made in it, so we will have a tax system that will stop being of major benefit to people in the middle and upper income brackets and will become one that is fair to all taxpayers in Canada.

Mr. Stanbury: Mr. Chairman, I am not rising to answer the hon. member for Winnipeg North; I am sure the minister will do that, but I wonder for how many years we will hear statistics quoted from 1971. There have been many amendments to the Income Tax Act since then, and I venture to say that the 1971 statistics quoted by the hon. member could not apply to the last couple of years.

● (1750)

I rose to ask the minister whether any lower age limit was contemplated in respect of the advantage provided as a pension income exemption, or whether in fact a person of the age of 25, for example, leaving employment could take out his pension entitlement to the extent of $1,000 tax free?

Mr. Turner (Ottawa-Carleton): I am advised that we have allowed in this bill for legitimate early retirement in so far as eligible pension payments are concerned.

An hon. Member: Maybe I can retire early.

Mr. Turner (Ottawa-Carleton): As a matter of fact, we might help the hon. gentleman in that respect.

Mr. Stanbury: Mr. Chairman, I wonder if it is the intention of the legislation to allow persons who repeatedly leave employment at an early age to take out each time up to $1,000 of pension entitlement tax free. I should think this might amount to an abuse and I wonder if it has been considered.

Mr. Turner (Ottawa-Carleton): If it is an abuse, we will look at it in a different light.

Mr. Orlikow: Mr. Chairman, the hon. member chided me for quoting statistics for 1971. I can only say that the article from which I quoted was written in 1973 and reported on the latest figures available. There must have been a report in 1974 for 1972. I want to tell the hon. member that I intend between now and tomorrow afternoon to call the revenue department and get those figures. I am certain they will not be very different, because there are just as many people availing themselves of these loopholes now in order to avoid paying tax. I will get that information for tomorrow if it is at all possible.

Mr. Knowles (Winnipeg North Centre): The rich get richer and the poor get poorer.

Mr. Stanbury: Mr. Chairman, the point is that changes were made in the law which did away with some of those so-called loopholes and I think the hon. member will find some improvements in the statistics since then. I should like to ask a further question about this clause. Is it intended that a person rolling over one registered retirement savings plan to another, who does not use the entire proceeds from the first plan in doing so but gets a refund, will be able to use the pension exemption against such refund?

Mr. Turner (Ottawa-Carleton): The RRSP is only available to somebody over 65, so that I cannot conceive of that happening. What the hon. gentleman is suggesting is building up a pension of over $2,500 or $4,000, and he is asking if it can be claimed as an exemption under the pension provisions. I do not think so.

Clause as amended agreed to.

On clause 71.

Mr. Stevens: Mr. Chairman, perhaps the minister could explain why in the ways and means motion it is stated that for 1975 and subsequent tax years individual taxpayers will be required in computing taxable income to go to section 109.1, 110.1, 110.2, 110 and 111 respectively in that year, whereas the proposed section, clause 71, has the same sections but 111 is missing? I think there should be an explanation. I may make some comments after I have heard the minister explain why section 111 is deleted.

Mr. Turner (Ottawa-Carleton): This reference has been misinterpreted in some quarters and by some commentators as being relieving in nature in that it would increase the deductible amount of non-capital loss. This was never the intention. The section was dropped because of confusion and because it was not absolutely required to give meaning to the ways and means motion.

Mr. Stevens: Is the minister stating that there is no difference between the wording which appears in the ways and means motion and the section as it appears in clause 71?

Mr. Turner (Ottawa-Carleton): That is the view of the department and the Department of Justice.

Clause agreed to.

Clause 72 agreed to.

On clause 73.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we tabled an amendment, which I should like to move now. The amendment is as follows:

That clause 73 of Bill C-49 be amended

(a) by striking out line 26 on page 188 and substituting the following:

"been paid out of the exempt surplus, as defined by regulation (in this part referred to as exempt surplus) of"

and

(b) by striking out line 33 on page 188 and substituting the following:

"of the taxable surplus, as defined by regulation (in this part referred to as taxable surplus) of the affiliate"

These two changes makes specific reference to the fact that there are two terms, "exempt surplus" and "taxable surplus". These are terms defined in the regulations under the Income Tax Act but are not terms defined within the act itself. This is merely a technical amendment.

Amendment (Mr. Turner, (Ottawa-Carleton)) agreed to.

Clause as amended agreed to.

The Deputy Chairman: It being six o'clock p.m., it is my duty to rise, report progress and request leave to consider the bill again at the next sitting of the House.

Progress reported.

The Acting Speaker (Mr. Penner): This House stands adjourned until two o'clock tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 20, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT AND COMMUNICATIONS

Fifth report of Standing Committee on Transport and Communications—Mr. Campbell.

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

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PRIVILEGE

MR. REID—ATTENDANCE OF MEMBERS OF HOUSE OF COMMONS BEFORE SENATE COMMITTEES

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, yesterday I raised a question of privilege concerning the applicability of members of this House attending committee sessions in the other place. As a result of my investigations I find that this is a very subtle and important point. Second, I have been unable to obtain the Senate transcript. I would ask Your Honour's indulgence and the indulgence of this House until I have had time to give this matter further consideration and obtain a transcript.

Hon. Herb Gray (Windsor West): Mr. Speaker, if the hon. member's request is accepted, I ask that it be without prejudice to the right of any hon. member to argue the acceptability or receivability of the motion on procedural grounds and its merits on any other grounds.

Some hon. Members: Hear, hear!

Mr. Speaker: A question of privilege has been raised by the parliamentary secretary and I hope that more than one hon. member will want to contribute because the question is indeed a subtle and an important one. I hope there will be no restriction on intervention by other hon. members.

MR. WATSON—AIR CANADA REQUEST THAT EMPLOYEES BE PROHIBITED FROM COMPLAINING TO MEMBERS OF PARLIAMENT—RULING BY MR. SPEAKER

Mr. Speaker: While on the subject of questions of privilege, I indicated earlier that I would endeavour to deal with two very important questions of privilege that are before the House at the present time. The first is that raised by the hon. member for Laprairie (Mr. Watson) which relates to facts as described by the hon. member: they are simply that in a matter before a federal tribunal, namely, the Canadian Labour Relations Board, a Crown corporation, Air Canada, made representations—at least on the hon. member's interpretation, which I accept—that members of parliament ought not to interfere personally in the relationships between employee and employer in that corporation and, more particularly, in proceedings before the Canada Labour Relations Board, I assume even by their presence at the hearings.

● (1410)

Following the description put forward by the hon. member, which I accept, the stance would be one that is contrary not only to what an MP is free or entitled to do, but it would seem in addition to refer to what he might find himself obliged to do by virtue of his capacity as a member of parliament.

Some hon. Members: Hear, hear!

Mr. Speaker: If there was any doubt about that, the hon. member's reference to the Freedman report—a well known, famous report—the relationships in that industry and the presence of a federal member of parliament intervening in a most meaningful way in the deliberations, that doubt was dealt with by the chairman and was adequately laid to rest by the Freedman report. There seems to me to be no question that whatever the relationship between the Minister of Transport and the Crown corporation, Air Canada, there should be no doubt that there exists that element of ministerial responsibility which would compel an explanation through that minister to this House.

It would seem, further, that however one describes the relationship between the Minister of Labour and the Canada Labour Relations Board, it is not one of control but it is surely of sufficient ministerial and parliamentary responsibility that if the board were to be persuaded to accept the proposal made to it by counsel—as described by the hon. member—the House would want from the minister an explanation of the board's stance in that respect.

What this amounts to, of course, is verification that the hon. member has raised a grievance of most serious proportions. The question I have to decide is whether it is a question of privilege along the lines of the classic definitions of that particular aspect of our procedures which have been adopted in the past. As hon. members well know, parliamentary privilege has always been defined in the strictest, most narrow terms. This was nowhere more clearly or precisely expressed than by my immediate predecessor in dealing with a proposed question of privilege by the then hon. member for Skeena. The question touched

upon that hon. member's difficulty in gaining permission to tour one of the federal penitentiaries. In his reasons, Mr. Speaker Lamoureux said on April 29, 1971:

> On a number of occasions I have defined what I consider to be parliamentary privilege. Privilege is that which sets hon. members apart from other citizens giving them rights which the public do not possess. I suggest we should be careful in construing any particular circumstance which might add to the privileges which have been recognized over the years and perhaps over the centuries as belonging to members of the House of Commons. In my view, parliamentary privilege does not go much beyond the right of free speech in the House of Commons and the right of a member to discharge his duties in the House as a member of the House of Commons.

Bearing in mind that very concise reasoning, it seems to me that improvement upon it is impossible and, furthermore, unnecessary. The consequences of extending that definition of privilege to innumerable areas outside this chamber into which the work of an MP might carry him, and particularly to the great number of grievances he might encounter in the course of that work, would run contrary to the basic concept of privilege. The decision of Mr. Speaker Lamoureux is a reaffirmation of the representative value of this chamber and also of the doctrine of ministerial responsibility whereby such grievances can be and should be laid directly at the feet of the minister responsible. On that definition of privilege, despite the seriousness of the grievance I cannot find that it qualifies within the terms of a question of privilege.

MR. TRUDEL—FAILURE OF EMPLOYEES IN MONTREAL UNEMPLOYMENT INSURANCE OFFICES TO COMMUNICATE IN BOTH OFFICIAL LANGUAGES—RULING BY MR. SPEAKER

Mr. Speaker: With respect to the point raised by the hon. member for Montreal-Bourassa (Mr. Trudel), that question is in fact somewhat less difficult. Here there seems to be an evident breach of either the law or of a policy quite simply put forward by the government but in fact adopted by this entire House. There is, in addition, a very clear and direct line of ministerial responsibility. Indeed, this was confirmed by both ministers who took part in the discussion yesterday and accepted final ministerial responsibility for the complaint put forward by the hon. member. The hon. member's complaint is not unique to members of the House of Commons but, in fact, is common to members of the public, and for those reasons it would not appear to qualify.

May I add that it may be fortunate that these two points have come together. Because, indeed, if we were to extend the definition of "privilege" to the situation put forward by the hon. member for Laprairie (Mr. Watson), which, after all, has intricate and complex circumstances surrounding it, then having done that it would be difficult to stop short of covering the question put by the hon. member for Montreal-Bourassa (Mr. Trudel). In the final analysis, it would be almost impossible for the House to say that the complaint against government services would not qualify as a question of privilege. I hope hon. members would be unanimous that questions of privilege are not suitable for that kind of grievance.

On the other hand, all of us must recognize that the role of a member of parliament extends far beyond his work in this chamber; that more and more each day in modern times a member is not only invited, but in fact compelled, to become involved in many activities outside the House.

[Mr. Speaker.]

Some hon. Members: Hear, hear!

Mr. Speaker: In the course of that work he will inevitably find some opposition to his activities or some criticism of them. Some of them will amount to legitimate grievances that ought to be brought to the doorstep of the minister responsible. Therefore, the only vehicle we have now is the question of privilege. If we accept a question of privilege in its classic terms as not suitable for accomplishing this objective, then we must surely begin to ask ourselves if we ought not now, in recognition of the many important areas into which members have to bring themselves, to be examining new effective and direct procedures to air those grievances that are legitimate grievances which arise outside the House but which do not qualify as questions of privilege.

It is all very well for the Chair to say that this is a grievance that ought to be laid directly at the doorstep of the minister. But it is not sufficient to do that in a private way because the subject is one that other members share in common if the grievance is established. In addition, it is not something that ought to be kept private between the minister and the member, because if it is true the public has the right to know about it.

Therefore, I put forward this question to the House: Is it time to consider other procedures for enabling members to bring forward directly to a minister, in some way other than that which we know now, those grievances that are indeed legitimate but which fall short of being questions of privilege? In the interim, may I say to both hon. members who have put forward these very important and interesting grievances, that until such procedures are developed, if it is their intention to seek recognition today in order to put a question with respect to those grievances to the ministers responsible, then I will have no difficulty in seeing them; and if they are not satisfied with the answers given by the ministers, I will see that their question will arrive on the late show tonight at ten o'clock.

* * *

● (1420)

AIR CANADA

CLARIFICATION OF MEDIATION OFFER TO FINANCE BRANCH EMPLOYEES AT WINNIPEG—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under Standing Order 43. The urgency and pressing necessity of the matter is that there seems to be some misunderstanding regarding statements the Minister of Labour (Mr. Munro) has made in this House in respect of a situation at Winnipeg as between Air Canada and its finance branch employees. These employees have not heard of the mediation services of the minister's department referred to by the minister, and they have not heard of any proposal by Air Canada to renegotiate the agreement. Therefore, Mr. Speaker, I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That the Minister of Labour be asked to make immediate contact with the Canadian Air Line Employees Association, so that misunderstandings concerning the dispute between Air Canada and its Finance Branch Employees at Winnipeg can be clarified and so that his officials can really go to work on the resolving of this dispute without further delay.

Mr. Speaker: Order, please. The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43, it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

PRIVILEGE

MR. BEAUDOIN—PARKING PROBLEM ON PARLIAMENT HILL

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the terms of our Standing Orders, I rise on a question of privilege.

On Saturday February 15 last, at seven o'clock, I had, at my private residence at Bromptonville, the visit of a representative of the Royal Canadian Mounted Police, who handed me a document summoning me to appear on March 3 before the Ottawa-Carleton district court, as a result of the ticket I got for having parked my car illegally a few feet away from the parking zone reserved for members of parliament and Commons staff; because the latter was filled up, I was forced to use a free space in the adjoining parking lot.

Considering that on February 5 last Your Honour sent a letter to the House leader of the Social Credit Party of Canada indicating that there is a severe parking problem on Parliament Hill;

Considering that, according to my information, 354 permits have been issued to people who do not work in the House of Commons, who are not members of parliament and who do not work either in the Confederation Building;

Considering that this situation is very prejudicial not only to the members but also to all staff members who work in the House of Commons;

Considering that the situation is urgent in that it has reached the stage where summonses are issued to appear in court;

I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That the House of Commons set up a special committee composed of a representative of each party under the chairmanship of Your Honour to study immediately the acute problem of a shortage of parking space, and more specifically the case of the 354 parking permits issued to persons who have nothing to do with the House of Commons or its staff.

[*English*]

Mr. Speaker: May I say to the hon. member that I have already begun the process to which he refers in his motion, namely, the re-examination of the entire question he has raised about parking. I have asked for an initial report from the officials in charge. I have also indicated to the whips of the various parties that I hope to put before them a review document which would enable discussion within the caucus. I would hope, thereafter, to call together representatives of each caucus and representatives of the various parties interested in the problem. Hopefully, very soon we will be able to come together in a meaningful way to re-examine and perhaps review the entire procedures involved. That process is already underway. Perhaps the hon. member might accept that as something I have already initiated, and perhaps would be prepared at this moment to have me simply defer his motion on the subject rather than just not accepting it.

[*Translation*]

Mr. André Fortin (Lotbinière): I rise on a question of privilege, Mr. Speaker. I should like to inform the House and Your Honour that the ticket received by my colleague from Richmond (Mr. Beaudoin) was not only inacceptable, but also drawn up in English only. Furthermore, the ticket inconvenienced a member of parliament on a weekend. It seems to me that in considering the question of privilege the Chair should assure the House that it will instruct those who give tickets to show respect for Parliament Hill and draw up the parking tickets in both official languages of our country.

Mr. Speaker: I thank the hon. member for Lotbinière (Mr. Fortin) for having raised this very important matter.

* * *

[*English*]

INDUSTRY

AUTOMOBILES—SUGGESTED IMPLEMENTATION OF RECOMMENDATIONS OF UNITED AUTOMOBILE WORKERS TO ALLEVIATE UNEMPLOYMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing and urgent necessity. In view of the announcement by General Motors today that some 2,800 production line workers will be laid-off, along with 2,300 workers in other related industries, I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That the government take immediate action to enact the policies presented to them by representatives of the United Automobile Workers some two weeks ago.

Mr. Speaker: The House has heard terms of the motion. It being proposed pursuant to Standing Order 43, it cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion cannot be put at this time.

Business of the House

FISHERIES

PROPOSED AID TO SMELT FISHERMEN IN NEW BRUNSWICK—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity requiring unanimous consent of the House.

In view of the fact that New Brunswick smelt fishermen are only being paid 8 cents to 10 cents per pound for their fish and that these products are sold retail for about 85 cents to 95 cents per pound, and these fishermen are losing money and are likely to cease operations completely, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the Minister of State responsible for Fisheries take immediate steps to remedy the plight of smelt fishermen in New Brunswick.

Mr. Speaker: The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43, it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

BUSINESS OF THE HOUSE

PROCEDURE TO PERMIT MINISTER OF TRANSPORT TO MAKE STATEMENT ON PICKERING AIRPORT

Hon. Mitchell Sharp (President of the Privy Council): I should like to make a proposal about the handling of the statement later this day by my colleague, the Minister of Transport (Mr. Marchand), who has a statement to make about the government's decision on Pickering. But before doing so, may I welcome the return to the House of the hon. member for Peace River (Mr. Baldwin).

Some hon. Members: Hear, hear!

Mr. Sharp: He looks fully rested and for the time being in a co-operative mood.

As I was saying, my colleague, the Minister of Transport, has an announcement which he would like to make this afternoon. Because of the nature of our business today, the timing is rather awkward and, therefore, I am making my proposal in a rather indefinite form. I would like to have the agreement of the House that there would be a return to motions to enable my colleague, the Minister of Transport, to make his statement at approximately five o'clock. In other words, if there is someone speaking, he would not be interrupted for the purpose of making a statement.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I thank the members of the House for their welcome. I say to my hon. friend, the President of the Privy Council, who hoped that I was well rested and in a co-operative mood, that I am at least well rested—and in a co-operative mood, especially today.

[Mr. Speaker.]

With regard to the proposal made by the President of the Privy Council, I think that it is reasonable. If the Minister of Transport feels that he needs up to five o'clock to draft the statement finally, we will be prepared to agree to that proposal.

Mr. Hees: Barney is writing his speech, and for free, too.

Mr. Baldwin: I only hope that if an hon. member has the floor at that time, and has nearly finished his speech, the Chair would not see the clock until the speech has been concluded.

● (1430)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, so often we get these requests on the basis of reasons concerning the stock market, and so on. It is refreshing to get the request today for the simple reason that the minister does not have the statement ready. In the discussions which took place before this agreement was reached, it was also understood that copies of the statement would be in the hands of each opposition spokesman a reasonable time before we revert to motions. I trust that is part of the agreement.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we are still agreeable to the general proposal of the President of the Privy Council (Mr. Sharp), but we wish to express further our hope there will be afterwards a question period that will last until the sitting is suspended at six o'clock.

[*English*]

Mr. Speaker: Before proceeding with the oral questions may I ask, in light of those remarks, is it agreed that the House revert to motions at five o'clock under those terms as proposed by the President of the Privy Council?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—ANTICIPATED LEVEL OF IMPORT PRICES, DOMESTIC PRICES AND VOLUME OF IMPORTS AS BASIS FOR IMPORT COMPENSATION PAYMENT

Mr. Jim Balfour (Regina East): My question is for the Minister of Energy, Mines and Resources. In the main estimates tabled yesterday there is an item under the heading, Energy Supplies Allocation Board, for a payment of $1.3 billion in oil import compensation. Would the minister clarify for the House the assumptions upon which this expenditure projection is based and, specifically, the anticipated level of crude oil import prices, the anticipated level of the domestic oil price and the volume of oil imports expected in the year?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman will perhaps have divined that the figure there is a maximum figure which we anticipate would be involved at this particular time. The various predictions he has sought are difficult to make in light of the discussions which will be occurring between first ministers in April of this year. Therefore, we have taken the precaution of indicating a maximum amount. It could well be that as a result of both those discussions and other events the amount may be very much lower.

Mr. Balfour: Mr. Speaker, the item is $1.3 billion. Would the minister therefore indicate the maximum assumptions he made with respect to the three components which I identified?

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. member may recognize at once that the assumptions are about equal to those now applying.

* * *

FINANCE

ASSUMPTIONS ON WHICH OIL IMPORT COMPENSATION PROGRAM BASED—POSSIBILITY OF BALANCE BETWEEN REVENUES FROM EXPORTS AND PAYMENT FOR IMPORTS

Mr. Jim Balfour (Regina East): I will direct my supplementary to the Minister of Finance. Would the minister tell the House whether his budget forecasts concerning the payment of the oil import compensation program were based on the assumption that expenditures within this program would be fully balanced by the revenues from the oil export charge, and if not, by what amount does he estimate such revenues will fall short of the $1.3 billion cost of this program?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman is putting the question in different terms, but it has already been answered by my colleague the Minister of Energy, Mines and Resources.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I would like to direct my question to the Minister of Finance. I will be rephrasing what I think is the same question. Does the Minister of Finance anticipate that revenues from the export tax which currently roughly balance the allocations to the subsidy programs for oil east of the Ottawa valley will continue,—that is this balance of revenues in terms of oil export and payments for imports, will continue for the next fiscal year?

Hon. John N. Turner (Minister of Finance): As the hon. gentleman admitted it is virtually the same question.

Some hon. Members: Answer it.

Mr. Turner (Ottawa-Carleton): That will depend very much on the pricing arrangement made by first ministers in April and on the phasing out of exports.

Mr. Andre: Do the revenue forecasts of the Minister of Finance rely on the statement of the Minister of Energy, Mines and Resources on November 22 which indicated the government's intention to reduce the level of export of crude oil to 650,000 barrels per day, or do they not?

Mr. Turner (Ottawa-Carleton): I think the Minister of Energy, Mines and Resources indicated that this would be subject to conversations with the provinces.

* * *

SOCIAL SECURITY

REASON FOR FAILURE TO PRESENT GUARANTEED ANNUAL INCOME PROGRAM TO PROVINCES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Since those most seriously affected by the present rate of inflation are the poor in Canada, whether they are the working poor or not, could the minister inform the House why, after spending between $2 million and $3 million in his department in the last year and a half on more than 600 studies on the question of a guaranteed income program for the poor, he did not see fit to present to the ministers from the provinces in the last few days at the conference a specific proposal in this area for their acceptance, nor did he on the part of the federal government decide to accept some kind of alternative proposal by the provinces.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all I am pleased to see the hon. member take note of the many studies which have been made. I remind him that these studies have not been carried out only by my department but also by the provincial governments and that they are the result of a joint effort by the provinces and the federal government.

As to the position of the federal government, I made it clear at the conference. It contains specific proposals made in the context of proposals advocated in the working paper on social security reform, and I am pleased to inform the hon. member, if he has not yet read the news release published at the end of the conference, that during this meeting the provincial and federal governments agreed on a general approach to this question of social security reform.

[*English*]

Mr. Broadbent: I would ask the minister if it is a fact that he said to the ministers from the provinces that this program had to be put off two or two and a half years because the program was too costly? If so, was this based on the cost estimate in the neighbourhood of $1 billion which would be shared between the provinces and the federal government if it was brought in under the Canada assistance program, for example, and if so, does he really think that the economy of Canada could not sustain that kind of expenditure?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I am afraid I have to answer that the hon. member's informers are wrong. I simply refer him to the statement I made at the beginning of that conference, to the effect that the government proposed for 1976 setting up an income support program for Canadians

and the progressive implementation, over several years, of an income supplementation program. Once again I emphasize that all that is in conformity with the working paper put forward by the federal government in 1973 and unanimously supported by the provinces.

[*English*]

Mr. Baker (Grenville-Carleton): How much did you pay for that speech?

NATURE OF PROGRAM TO BEGIN IN 1976

Mr. Edward Broadbent (Oshawa-Whitby): It is my understanding that a majority of the provinces do not take it as a conclusion that the program is going to begin now. Would the minister explain to the House the nature of the program beginning in 1976 and what development can be expected to follow from that program which will begin in 1976 and subsequent years?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sorry the hon. member could not attend the federal-provincial conferences. He would have seen that, contrary to the information he has just given this House, the majority of provinces did not share the opinion he indicated. On the contrary, the decision we reached at the conference was adopted by the provinces unanimously and it appears in the press communiqué released at the end of the conference.

TAX CREDIT PROPOSAL TO FINANCE GUARANTEED ANNUAL INCOME

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to put a question to the Minister of National Health and Welfare.

With respect to the guaranteed annual income proposed to the provinces and which seems to be creating a bit of a turmoil across the country, does the minister consider paying a guaranteed annual income to all Canadians and perhaps collecting the surplus as income tax under present fiscal regulations, so that those having a large income might pay the surplus back to the government and that poor families might keep the whole guaranteed annual income, which would increase their insufficient present income?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this is one of the possibilities that was considered by the government, that is tax credits. However, in the proposal we presented at the federal-provincial conference, we chose the option of transfer payments.

● (1440)

However, the proposal put forward after consideration and experience does not exclude the possibility of altering the proposed program in a tax credit program. But such is not the proposal endorsed by the government at the conference.

[Mr. Lalonde.]

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question.

Would the government consider, for example, the direct transfer of credit by the Bank of Canada which would then distribute the necessary sums to the provinces for the establishment of a guaranteed annual income?

Mr. Lalonde: No, Mr. Speaker.

[*English*]

COST OF GUARANTEED ANNUAL INCOME PROGRAM

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I ask a supplementary question about the alleged cost of the program. It has been alleged that the proposed plan submitted by the minister would cost between $250 million and $2 billion a year, or cost each individual Canadian taxpayer about $300 a year. Would the minister clear this confusion, so that the Canadian people will know how much the minister's proposed plan may cost.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it is obvious that it depends on the levels of payments granted to persons in need and on the reduction rates. I firmly believe that if my hon. colleague's party were in office all Canadians would have a guaranteed income which would not cost a single cent for the very reason that the benefits would be so low that they would be useless.

[*English*]

Mr. Alexander: A further supplementary question, Mr. Speaker. I understand that the minister said this program would cost between $250 million and $2 billion per year. I ask the minister bluntly, is that what he said during the conference of afterwards?

Mr. Lalonde: Yes, Mr. Speaker, once again I point out that the variation in costs depends on the level of benefits that would be agreed to between the provinces and the federal government and on the tax-back rate on those benefits. The net result is that type of variation.

BLIND AND DISABLED ALLOWANCES—DISCUSSIONS WITH PROVINCES TO ALLEVIATE PROBLEMS OF RECIPIENTS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I direct a supplementary question to the minister. As the guaranteed annual income has been postponed and is now a long way down the road, may I ask if the minister discussed the plight of some people living in conditions of extreme hardship; I refer especially to those receiving blind allowances and disabled allowances. Those allowances still do not exceed the national maximum of $75. I realize that this is a provincial matter, but was it discussed, and, if so, can anything be done to alleviate the problems these people face?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this problem has not been raised during the conference, but as the hon. member has very

properly indicated, this question is one which is a matter of option for the provinces concerned. Provinces may instead opt for the Canada Assistance Plan, which allows provinces to pay much more substantial benefits of course. Most provinces have opted for the Canada Assistance Plan. Unfortunately, the province from which the hon. member comes from has preferred to stick to the other act regulating certain benefits.

* * *

[*English*]

HOUSING

HOUSING FOR WELFARE RECIPIENTS—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I direct a supplementary question to the Minister of State for Urban Affairs. At the last welfare ministers conference the topic of housing for people who must resort to welfare was discussed and treated as an emergency, can the minister indicate if any plans have been put in place, in consultation with the provinces, in order to alleviate this problem.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, yes, I am pleased to work on this area of concern with the provinces and I hope to be able to announce something very shortly.

SOCIAL SECURITY FOR DISTRIBUTION OF OLD AGE PENSION CHEQUES IN VIEW OF DELAY IN MAIL DELIVERY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my supplementary question to the Minister of National Health and Welfare concerns a more immediate issue. What if any contingency plans has the government to distribute old age pension cheques, given that mail distribution at regional centres such as Toronto is at a standstill.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I think this question should be asked of my colleague, the Postmaster General, who is in charge of the Post Office.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, we ran into this problem once before in my riding, Verdun, I think four years ago. The member, who at that time was not Postmaster General, simply delivered the old age pension cheques.

Miss MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. I am not so much concerned that the minister could deliver the cheques to the people of Verdun; I am concerned about seeing them delivered right across the country. Given the fact that regional centres such as Vancouver, Halifax and Toronto may well be out of operation, would the minister undertake to set up special distribution centres for old age pension cheques, of the kind set for the distribution of unemployment insurance payments, and to make those locations well known by utilizing all avenues of the media.

Mr. Mackasey: Mr. Speaker, this type of emergency operation has already been planned. As I mentioned, what I did in Verdun every member of parliament can do in his own riding, so that there is no particular problem. We could distribute cheques to unemployment insurance offices, and those cheques that are not picked up, because senior citizens may be too old, can be delivered either with the help of the Legion or other people who are willing to do so.

* * *

INDUSTRY

REQUEST FOR STATEMENT ON PROGRAM OF INCENTIVES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the the Minister of Industry, Trade and Commerce. As figures released today by Statistics Canada show that Canadian industry today is moving at a pace 4 per cent slower than that at which it was moving one year ago, that of course being the reason for the dramatic rise in unemployment recently, would the minister take the first opportunity on motions to outline to the House the program which he and his department are prepared to present to industry in the form of industrial incentives in order to get the economy moving at a satisfactory pace, one that will accelerate in the months ahead and provide the jobs which Canadian people have a right to expect.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think one of the best things the House can do right now is expedite the passage of the income tax legislation.

Mr. Hees: A supplementary question, Mr. Speaker. Obviously, the government intends to do nothing in this regard.

Some hon. Members: Oh, oh!

Mr. Hees: My supplementary question is this: Given that answer and that attitude, is it any wonder that the economy of this country is in its present bad state. You just couldn't care less, Alastair.

Mr. Speaker: Order, please.

* * *

AIR CANADA

ATTEMPTED DENIAL OF RIGHT OF MEMBER TO APPEAR BEFORE LABOUR BOARDS—REFUSAL TO PAY EMPLOYEES APPEARING AS WITNESSES

Mr. Ian Watson (Laprairie): Mr. Speaker, may I direct a question to the Minister of Transport. It relates to the incident in Montreal on December 4, when an Air Canada representative made representations to the Canada Labour Relations Board to the effect that the board should rule that citizens appearing before the board should not contact their Member of Parliament concerning matters before the board. Has the minister received any communi-

cation from Air Canada about this strange behaviour on the part of one of their representatives.

● (1450)

Since this matter does reflect the unsatisfactory state of labour-management relations at the Montreal-Dorval Air Canada setup, will the minister, in consultation with the Minister of Labour give consideration to referring this question of labour-management relations to either the Standing Committee on Transport and Communications or the Standing Committee on Labour, Manpower and Immigration.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the information I got from Air Canada is that this corporation has never instructed its legal adviser to hold that stance before the Canada Labour Relations Board. Therefore, that stance has been a purely personal one, and Air Canada dissociates itself completely from what has been said.

Mr. Watson: Mr. Speaker, Air Canada may well try to sneak out of the position it took publicly at that labour relations board hearing by denying responsibility for the statement of its representative. In any event, among the things Air Canada did at that hearing which reflects its attitude toward labour-management relations was, in violation of its own regulations which require payment of salary to employees appearing as court witnesses, the refusal to pay employees who appeared that day as subpoenaed witnesses on behalf of Mr. Morrison. I wish to raise this matter at ten o'clock and discuss it at that time.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a supplementary question for the Minister of Transport. Was the legal counsel involved a regular employee of Air Canada or was he picked from the Quebec Liberal patronage list?

Some hon. Members: Oh, oh!

* * *

TRANSPORT

FREIGHT RATES ON RAPESEED—MINISTER RESPONSIBLE FOR A DECISION—DATE WHEN DECISION WILL BE MADE

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the Minister of Transport on another matter. In view of the fact several rapeseed processing plants in western Canada, supported by three provincial governments, have been fighting the matter of freight rates on rapeseed meal and rapeseed oil since October 1970 and the Canadian Transport Commission made a ruling in June 1973 which the complainants, namely the companies and provinces, appealed to the cabinet, can the minister advise the House whether, as reported in the press, he has not turned over responsibility for freight rates on rapeseed and rapeseed products to the minister in charge of the Canadian Wheat Board? Also, does he share that minister's view that a cabinet decision on this matter is not likely to be made before the end of this year?

[Mr. Watson.]

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not believe I have transferred any of my responsibilities to any one of the ministers. I could not do it legally. Some responsibilities rest with ministers, others with the CTC, and again others with the cabinet. However, I assume mine, and Air Canada theirs. Therefore, I have noticed that lawyers are chosen as often among Progressive Conservatives, Social Crediters and New Democrats as among Liberals.

[*English*]

Mr. Benjamin: Mr. Speaker, the minister chose to answer the question put by the previous questioner. That leaves him one question behind. He can probably answer mine after the next question. I remind the minister he is quoted as saying "it is Otto Lang's baby".

Some hon. Members: Oh, oh!

FREIGHT RATES ON RAPESEED—POSSIBILITY OF DISCUSSION AT FEDERAL-PROVINCIAL CONFERENCE

Mr. Les Benjamin (Regina-Lake Centre): That is one I hope he does not abort. Will the minister be placing before the provinces at the federal-provincial conference, which I understand will be on February 24, a proposal on this matter? If so, is he in a position to tell the House the nature of the proposal.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the agendas for those conferences are prepared by the ministers involved, including the Minister of Transport for Canada. As far as Otto Lang's babies are concerned, I really do not know their number, but I can assure hon. members that I am not the father of any of them.

Mr. Benjamin: Mr. Speaker, this matter has been fought for and about by the people of the great prairie provinces for almost four and a half years. Cabinet has had this baby for almost a year and still has not made a decision. When will a decision be made by the cabinet? Is the minister in charge of the wheat board correct that there will not be a decision before the end of this year?

Mr. Marchand (Langelier): Mr. Speaker, the Minister of Justice will eventually be in this House. It would be preferable to address the question to him.

* * *

[*Translation*]

IMMIGRATION

STATUS OF KAMINSKI FAMILY—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Considering that a Polish family, the Kaminski family, with three young children, has been living in Canada since October 1974, and that a deportation notice has been given to them and that the family is now in a very difficult position, could the minister reveal to the House if

representations have been made to him asking him to grant them the status of political refugees and, if so, can the minister tell the House if it has been, or will, be granted?

[*English*]

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, that appeal is now before the Immigration Appeal Board. It was handled by an interdepartmental committee which found there was not refugee status. I will be glad to keep the hon. member informed with regard to the status.

* * *

OLYMPIC GAMES

REDUCTION IN NUMBER OF COINS—POSSIBILITY OF GOVERNMENT COVERING LOSS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is to the Postmaster General. In view of the delay in circulating series three of the Olympic coin program, and God knows they do not need any more problems than they already have, primarily because of the strike at the Mint and because of the fact that Mr. Page, a director of that program, has already announced a cut from the original nine million coins in the third series to five million, perhaps due to problems other than the strike, can the minister advise what the status of the coin program will be in the event of a continuation of the strike at the Mint and does his department have any contingency plans for supplementing the unexpected losses being encountered in the overall coin program?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, there are several very serious questions. I know the hon. member supports the Olympics and the financing of the Olympics. He will be pleased to know that the strike is in no way impeding the circulation of coin sets No. III since they are in the possession of Brinks Express and the government and not in the Mint.

* * *

● (1500)

ROYAL CANADIAN MINT

STRIKE OF EMPLOYEES—REQUEST FOR REPORT ON GOVERNMENT EFFORTS TO SETTLE

Mr. Otto Jelinek (High Park-Humber Valley): A supplementary question, Mr. Speaker. Because the Minister of Labour stated in the House last Monday that he is not free to discuss, here, policies with respect to labour—I wonder where he expects to discuss problems relating to his department if not in this House—I should like to put my question to the Minister of Supply and Services. In view of the fact that approximately $150 million in production of coins has been lost since the strike at the Mint began on January 9 and because there exists a serious coin shortage in Canada notwithstanding the Olympic program shortages, could the minister inform the House of the latest offers made to striking workers at the Mint and what specific steps are being taken by the government to bring this costly strike to an end?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, it was agreed with the union that no public comment would be made during the negotiating period.

* * *

[*English*]

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—REFUSAL TO PERMIT MEMBER OF PROVINCIAL LEGISLATURE TO SERVE ON AREA COMMITTEE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question was for the Minister of Manpower and Immigration, but in his absence I will direct it to the acting minister or the parliamentary secretary. I have already given notice of the question. Would the acting minister advise the House whether it is now departmental policy to exclude members of provincial legislatures from management area committees relating to the OFY program on the grounds of conflict of interest? Can the hon. gentleman also say briefly why he considers this to be improper, since nothing was mentioned about this in the letter of instructions soliciting nominations from members of parliament. I am particularly interested since I nominated a member of the Nova Scotia Legislature, a Liberal member, who was rejected despite his willingness to serve.

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, as all hon. members know, each member was contacted to suggest names for this advisory group and guidelines were set out. I think there is a question in this particular case of whether the gentleman nominated is impartial.

Mr. MacKay: Mr. Speaker, I am interested to know he might not be considered impartial. Certainly, I would never make that suggestion.

Mr. Alexander: I would.

Mr. MacKay: Obviously, the hon. member knows more about this gentleman than I do. In reassessing the criteria for this type of committee or advisory board, I should like to know whether the department would look into the question of elected municipal officials being nominated so that members might have a greater idea of whom this government deems acceptable for service on these boards.

* * *

EXTERNAL AFFAIRS

NIGER—ALLEGATION PEOPLE STARVING IN SPITE OF AVAILABILITY OF CANADIAN GRAIN—MEASURES TO CONTROL AID PROGRAM

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Secretary of State for External Affairs. Has the minister investigated a situation

in the African country of Niger where bands of nomads are dying of starvation in a camp located ten feet away from a barbed wire compound containing a warehouse jammed with Canadian grain which is only available to local people with the money to pay for it?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker, I have not had any information on this particular case but I will be happy to follow it up.

Mr. Roche: A supplementary question to the Minister of Finance. Because Canada's total aid budget in the new fiscal year will be $933 million, which is more than all but two government departments, and because the whole question of international aid now goes beyond CIDA and is inextricably linked with all our policies on international finance and trade, what policies will the minister recommend to the government to control and consolidate Canada's whole international assistance program?

Mr. Speaker: Order, please. The hon. member for St. John's West.

ARGENTIA, NEWFOUNDLAND—CANADIANS EMPLOYED AT UNITED STATES NAVAL BASE DENIED RIGHT TO FORM UNION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In reply to a question put to him on February 12, the minister undertook to investigate charges that Canadians working on the American naval station in Argentia were being unfairly treated with respect to wages and other working conditions, can the minister now tell the House whether he has investigated these charges, and if steps are being taken to correct these conditions?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we have commenced an investigation into the matter raised by the hon. member. We have communicated with the American authorities and are holding discussions with Canadian labour personnel. As soon as we have something definite to report I will communicate it to the hon. member.

* * *

FISHERIES

TUNA—DATE OF ANNOUNCEMENT OF REGULATIONS FOR SPORT FISHING IN GULF OF ST. LAWRENCE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a question for the Minister of State for Fisheries relating to tuna sport fishing. In light of the urgency of operators knowing what the position is going to be, is the minister able to announce the fishery regulations as they apply to tuna sport fishing in the Gulf of St. Lawrence?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I wish to thank the hon. member for giving me notice of this question. We are trying to have as wide consultations as possible and to reconcile the conflict of interest between the sports fishery and the commercial fishery. We are now trying to come to a consensus, and I hope within the next 10 or 15 days to be able to come down with firm regulations.

* * *

[Translation]

BILINGUALISM

ALLEGED FAILURE OF EMPLOYEES OF MONTREAL UNEMPLOYMENT INSURANCE OFFICE TO COMMUNICATE IN BOTH OFFICIAL LANGUAGES

Mr. Jacques L. Trudel (Montreal-Bourassa): Mr. Speaker, I have a question for the Minister of Manpower and Immigration, but since he is not here, I will direct it to the President of the Treasury Board.

During the past few days, employees of the manpower centres especially have been refusing to answer in either official language when several people applied to obtain information about those centres. I understand there are 300 positions which are designated as bilingual. What I want to know, Mr. Speaker, is whether those designated civil servants, who have been appointed to answer inquiries by the public, are refusing to answer them, or if, due to miscalculation, not enough people were hired to provide services in either official language. If so, can we expect people who can provide the services which the population expects to be appointed at superior positions, or at positions where they have to answer inquiries by the public, as soon as possible?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, as I said yesterday, we are now inquiring into that subject. It is a fairly complex problem, because there may be bilingual as well as unilingual positions in the same office. It is a matter of identifying the incumbents of both lines of positions. But I said yesterday, and I say it again, we shall take disciplinary action against those who are in bilingual positions and refuse to provide service in either official language.

Mr. Trudel: Mr. Speaker, may I ask a supplementary? Could the President of the Treasury Board tell us how many bilingual positions are now vacant in those services, and whether that situation prevents the Canadian population from getting proper service in either of the official languages, which it has a right to expect?

Mr. Chrétien: Mr. Speaker, I cannot obviously answer now with respect to the number of bilingual positions. I shall inquire into that matter and report to the hon. member.

* * *

[English]

EXTERNAL AFFAIRS

GOVERNMENT POLICY ON EXPORT OF ARMS TO TURKEY

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I address my question to the Secretary of State for External Affairs although I think it also concerns the Minister of Industry, Trade and Commerce. It has been reported from Ankara that Canadian arms dealers are seeking orders in Turkey for the sale of ammunition and other war ma-

terials to Turkey to replace the arms embargoed by the United States of America. Will the minister tell the House whether it is government policy to refuse to licence the export of arms to Turkey at the present time?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, as I recollect, for some considerable period of time during the situation in Cyprus it was not the policy of the government to approve any such licences. Since the situation has changed, I believe the policy has also been modified. I should like to refresh my memory, however, before giving the hon. gentleman a definitive answer.

Mr. Brewin: A supplementary question, Mr. Speaker. When the minister is looking into this matter would he also see whether American arms are being shipped into Canada for export to Turkey in defiance of the U.S. embargo?

Mr. MacEachen: Yes, Mr. Speaker.

* * *

● (1510)

FINANCE

REASON FOR RELATIONSHIP OF CANADIAN DOLLAR TO UNITED STATES DOLLAR

Mr. J. H. Horner (Crowfoot): Mr. Speaker, may I address my question to the Minister of Finance? Having watched the Canadian dollar drop below par with the United States dollar during the last couple of weeks, is it the direct intention of the Department of Finance to lower the dollar so that we can better plan our commodity trade?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are relying on market forces.

Mr. Horner: A supplementary question, Mr. Speaker. Can one assume that our dollar dropping below the U.S. dollar means that Canadians and the world have less confidence in Canada's economy, even though we are able to balance our energy needs?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that is not the conclusion I take. I would suggest to the hon. gentleman that the reason our dollar is dropping below the United States dollar is because of our current account deficit. It is because the Canadian economy is strong enough to attract more imports than the stagnant economies of our major customers are able to attract our exports.

PERPETUAL BONDS—GOVERNMENT ACTION TO ALTER LOW INTEREST RATE

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is also for the Minister of Finance and concerns another example of the poor economics practiced by governments of the past and the present. My question arises from representations made to me by holders of Canada perpetual bonds of the 1930's bearing interest at 3 per cent and the near worthlessness of these bonds at the present time. What does the minister and his department intend to do to relieve the penurious conditions of bondholders resulting from the lack of a fair economic revenue from these bonds?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, virtually every member of parliament has written to me about these bonds, and I have received a good deal of correspondence from across the country. We had a meeting about this 16 or 17 months ago, including the hon. member for Nanaimo-Cowichan-The Islands, the hon. member for Don Valley and other hon. members on our side of the House. There are two difficulties. Firstly, a good percentage of these bonds are in bearer form. The second difficulty is how to find an equitable solution as between those who have already redeemed their bonds at 3 per cent interest and those who might redeem their bonds at a marketable rate of interest. I have not yet been able to find a solution to those two problems.

Mr. Alkenbrack: A supplementary question, Mr. Speaker. Why could not these bonds be recalled? The last bond issue which paid 9¾ per cent was a successful issue and well subscribed. In light of this fact, the minister is lending several millions of this money to Cuba through the Canadian International Development Agency at 3 per cent, so how does he justify the economics of taxing Canadians through making them pay high interest rates and then giving the money away to foreign countries?

Mr. Turner (Ottawa-Carleton): There are two answers to that, Mr. Speaker. The difference between the perpetual bonds and the Canada savings bonds is that the latter are immediately redeemable. The second answer is that Cuba is not receiving that interest rate.

* * *

FISHERIES

SMELT FISHERMEN IN NEW BRUNSWICK—REQUEST FOR AID—POSSIBLE USE OF SMELTS IN EXTERNAL AID PROGRAM

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Minister of State (Fisheries). What action has the minister taken to relieve the plight of the smelt fishermen in New Brunswick?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would underline that the problem is due to difficulties in marketing. A lot of last season's inventory was still left when this season commenced. We are now trying to get agreement between the Quebec and New Brunswick fishermen to limit the fishery and not stock more inventory which we are finding difficulty in liquidating.

I might say that I was hoping to get a question on this, because yesterday I was informed that there were some 250 pounds of smelt delivered for the attention of members of parliament. In the interest of conservation I asked that they be frozen immediately, and they were. I would be quite willing to receive suggestions regarding their distribution. I have suggested to the parliamentary restaurant that perhaps we could give all members of parliament a chance to taste New Brunswick smelt and to see how good they are.

Mr. Jones: Mr. Speaker, may I address another question to the minister? In addition to contacting the parliamentary restaurant and the cafeteria so that all members of parliament can realize how delightful is this delicacy and so the commodity can be sold at a fair and reasonable

price, would the minister consider contacting CIDA to see whether they have sufficient money on hand to assist the smelt fishermen in New Brunswick, who are only being paid eight to ten cents a pound for their fish?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, we have looked at this possibility and many others, but at the moment that avenue does not seem to offer very good prospects.

* * *

FINANCE

POSSIBLE SALE OF GOLD HOLDING—PROPOSED USE IN GOLD OLYMPIC COINS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. With gold selling this morning at $183 per ounce, a figure more than four times the official price placed on the 22 million ounces of gold stashed away under the Bank of Canada on Wellington Street, would the minister indicate whether consideration is being given to selling part or all of this holding, bearing in mind that at today's price a profit of $3 billion could be reaped, or some $300 for every taxpayer in the country?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we hold to the policy of demonetarizing gold. It really depends on agreement by the International Monetary Fund as to what the future of gold will be.

Mr. Stevens: A supplementary question to the Minister of Finance. Has the minister or the government been approached to sell part of this Canadian store of gold to facilitate the minting of gold Olympic coins, and if so what position has the government taken?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that has not been brought to my attention, but I want to suggest to the hon. member that if every country were to accept the hon. member's suggestion, the plight of the third world in face of a revaluation of gold would be disastrous.

* * *

FISHERIES

REQUEST FOR CONTINUATION OF SUBSIDY ON DOGFISH

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I want to direct a question to the Minister of State for Fisheries.

Could he make a statement to the House today concerning the subsidies to the dogfish industry which would continue its activities on the Pacific coast during the dead season, as I raised that question two weeks ago?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I am not in a position to make a statement today. I will try to give an answer to the hon. member as soon as possible.

[Mr. Jones.]

[*English*]

Mr. Speaker: Orders of the day.

Mr. Baldwin: Mr. Speaker, there have been some discussions regarding the length of speeches in the following debate. It has been proposed that the first speaker for our side and, of course, the first speaker for the government should have 30 minutes; there will be 20 minutes each for the first speakers for the NDP and Creditistes; and thereafter the balance of the speeches will be 15 minutes each. That proposal seems to have some acceptance.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think you will find this has been agreed to by all parties and by the independent member as well. When I suggested to the hon. member for Peace River that he get up, I was trying to remind him that today is Thursday and that he might like to ask about the business of the House.

[*Translation*]

Mr. Fortin: Mr. Speaker, we took part in this debate and we maintain our support. We are satisfied with this agreement which will allow more members to speak and we hope that the Chair will fairly recognize each member in his turn.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I am grateful for the reminder by the hon. member for Winnipeg North Centre. I return to my duties by asking my co-operative friend, the government House leader, what business he has for tomorrow and next week.

Mr. Sharp: Mr. Speaker, it is the intention to continue to give first priority to the income tax bill which is now in committee of the whole. It is the intention to call the committee to consider the bill again tomorrow and on Monday, or whenever is necessary. I hope it will be dealt with by Friday but I cannot, of course, commit the House. When that bill has proceeded through committee of the whole, it would then be the government's intention to call the bill to amend the National Housing Act.

● (1520)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask the government House leader a question in respect of House business. We all realize that in a day or so the minister will be presenting a motion to refer to committees the estimates of various departments. In the case of the estimates of the Department of Veterans Affairs, they of course will include the Hong Kong question but not the Hermann report. I wonder whether we can soon expect a motion referring the Hermann report to the Standing Committee on Veterans Affairs.

Mr. Sharp: Mr. Speaker, I have been discussing this matter with my colleague the Minister of Veterans Affairs and, as I said earlier, we have had some correspondence from one of the principal veterans' organizations. It would

be the intention of the government to move such reference within the next couple of weeks or so.

Mr. Marshall: Mr. Speaker, I should like to ask the government House leader if he has any intention of bringing Bill C-16 before the House. I would ask him to treat this matter as an emergency, in view of the fact that in that omnibus bill, C-16, there is one section which includes a discriminating distinction between male and female cadets in the cadet services of Canada. In view of the fact that this summer the student summer employment program will include the cadet services, will the minister bring the bill forward so this matter can be rectified to the benefit of many young people in this country?

Mr. Sharp: Mr. Speaker, I wish to thank the hon. member for his suggestion. It is my hope that when we have disposed of the amendments to the Income Tax Act, the House leaders will meet and, hopefully, agree upon a definite allocation of time for all the remaining business on the order paper, so that we can reach this bill and many others in respect of which I have received various representations.

Mr. Benjamin: Mr. Speaker, I should like to ask the government House leader if he will advise the House or consult the Minister of Transport on the annual report of Air Canada and that of Canadian National Railways. Will these reports be referred to the Standing Committee on Transport and Communications as has been done on other occasions? Also, will he tell the House when we may expect the annual CNR financing bill?

Mr. Sharp: Mr. Speaker, I will have to take those questions as notice.

[*Translation*]

Mr. André Fortin (Lotbinière): I want to speak on the same point of order concerning the proceedings of the House, Mr. Speaker. I asked many times that the Minister of Manpower and Immigration and the President of the Privy Council inquire when the bill on unemployment insurance amending the 1971 act will be presented to Parliament, as announced in the Speech from the Throne. The hon. gentlemen always answered that they would get the information and report to the House. I would like to ask once more if the President of the Privy Council has inquired about this matter and what was the information he got?

[*English*]

Mr. Sharp: Mr. Speaker, I have looked into this question in relation to several other bills not yet on the order paper in respect of which it would be very desirable to have quick approval. I regret having to say, however, that because of the very long time being taken on the amendments to the Income Tax Act, the whole schedule has fallen behind and we will have to decide which of these important bills should receive first priority.

CIDA

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT SECRECY IN OPERATION OF CIDA—EFFECT ON EXTERNAL AID PROGRAM

Mr. Claude Wagner (Saint-Hyacinthe) moved:

That this House deplores the Government's secrecy in the operation of the Canadian International Development Agency which casts public doubt on the quality of management and effectiveness of Canada's international assistance program.

He said: Mr. Speaker, in undertaking this debate and presenting this motion to the House, we are well aware of the very acute problems which our fellow citizens must face every day. Let me mention, for instance, inflation which is left uncontrolled, unemployment whose spectre, in the last few months, has been replaced by the sad reality of layoffs multiplication. We have debated these matters each day since the House resumed its sittings, and we shall go on doing so.

However, we dare take up a whole day for a close scrutiny of the orientation and administration of this government in the matter of Canada's foreign aid.

We believe that such an scrutiny is even more timely, perhaps even urgent, since the whole cabinet, when describing the economic situation, refer constantly, with OECD figures in support of their statements, to the fact that, according to them, the situation is even worse in foreign countries.

"In Canada, things are not so bad for the moment", said our Prime Minister during his speech on starvation throughout the world at the recent liberal $100 a plate fund-raising dinner held in Montreal on January 31st.

Mr. Béchard: They cost $160 a plate in your party!

Mr. Wagner: Mr. Speaker, those were the comments of my colleagues opposite. They were discussing starvation throughout the world, while next Sunday we shall be discussing the termination of this government.

Mr. Speaker, I would like my friends opposite to listen to the right hon. Prime Minister's New Year message. He then committed himself and the generosity of Canadians towards helping the more disadvantaged among our fellow human beings. In giving that message, the Prime Minister must have hoped, and rightly so, that we in this country would prove equal to the task.

Of that, Mr. Speaker, we are not quite so sure, or rather we so want to be sure of that today, partly as a result of recent reports published in the newspapers in this regard, we want to question the government about its main sharing channel, namely the Canadian International Development Agency.

In fact, just about everyone wonders about CIDA, because, as the hon. member for Saint-Michel (Miss Bégin) said in Montreal on Tuesday last, and I quote:

. . . because we know very little about what CIDA does, and because we know even less about the problems it has to overcome.

Mr. Speaker, we feel the time is ripe for a debate in this House, rather than in the Standing Committee on External Affairs when the president of CIDA appears for his annual accounting, since our solidarity with the third world, and the way in which we prove it, entail political objectives for which government and Parliament as a whole, rather than CIDA'S president alone, or a single vague interministerial committee, are responsible.

The time and place are all the more well chosen for our motion that the estimates for the financial year ending on March 31, 1976 were tabled yesterday, and that the only credit for CIDA provides for expenditures of about $734,-311,000—some $145 million more that the estimates for 1974-75.

● (1530)

[*English*]

In putting forward, on behalf of my leader and my party, the motion to be discussed today I would like you, Mr. Speaker, and the members of the House to understand fully the intent and purport of our concern.

At a time when the international viability of world resource management and distribution continues to be questioned, at a time when starvation and the political and social disorder that starvation brings, remains basic to the international horizon, nations where starvation is never present have a simple and direct duty to help others. At a time when the emergence of the third world is no longer idle prognostication but a political and bureaucratic reality, the developed world has a duty to its own security and to the international community to provide the developing nations with meaningful and well thought-out aid and development assistance.

That is the framework within which we seek greater scrutiny for CIDA and its operations. That is the urgent political reality which demands greater scrutiny by a committee of this House and by the House itself and, more important, that is the very political framework which the minister and the government to date appear to reject or choose to ignore. Those opposite are once again indulging in the old "Catch 22" approach to government policy that so frequently typifies the attitude of the Prime Minister (Mr. Trudeau) to public policy and debate. Simply stated, the approach can be put thus: If you question how we run our program, you are against the program. If your not against the program, don't ask questions.

The logic of that approach may escape you, Mr. Speaker, as much as it escapes those of us seeking to scrutinize this particular agency's operations. But then again, perhaps we err even in wanting to ask questions. Perhaps we err in wanting to know why foreign aid has become the personal fiefdom of one man, why that fiefdom appears to be in revolt—the best example is the Price Waterhouse report on personnel turnover, a report which still remains a very secret document—and why this government has placed this little empire above scrutiny. Perhaps we err in seeking to have the activities of this agency brought before a special parliamentary committee for some frank discussion, some thorough probing, without the restrictions which are normally imposed by the rules of the House on the study of estimates. Perhaps we err in thinking that the government might treat the committee with any more respect than they treat this House.

Perhaps we err when we wonder why no government official, no minister, has jumped to the stringent defence of the agency in the face of fairly serious allegations made by an Ottawa newspaper concerning its management and internal policies. Is a defence now being put together? Does the government have a defence? Will we hear it today? Will the minister speak, or will he delegate someone else? Does this government care enough about its foreign aid establishment to defend the key foreign aid agency?

These are the questions we pose, not out of antagonism to the agency but out of a desire to ensure that our foreign aid programs are going to the right places, are administered in the right fashion and are providing the most valuable help possible to the recipient nations; because any failure of CIDA in this regard is a failure of our government to understand how contentious an issue foreign aid can become in times of, thanks to this government, growing national anxiety about economic resources and capacity.

If this House is more concerned today about foreign aid spending, if we seek more answers and more information it is because we know, as politicians, how difficult it is to justify foreign aid spending to the men and women who pay the taxes and find it more and more difficult to make ends meet. This is not to say that we do not have a responsibility to continue to fight for the importance of foreign aid and our nation's commitment to that aid: on the contrary, that fight must continue.

But I say to this government that their over-all attitude toward CIDA and its operations, their over-all refusal to allow for a clearing of the air and an examination of the record, does not help the foreign aid cause very much at all. In many respects it weakens the foreign aid cause so that one might justifiably ask whether this government is seeking some excuse to back down from its already less than impressive commitments in this field. The attitude of this government in regard to CIDA, their complacency, their nonchalance, is typical of their concerns in other areas.

I was touched when the Prime Minister worried about social disorder and fragmentation at a party fund-raising dinner in Montreal. While I was not as deeply touched as those who paid to hear the "sermon on the mount," I must say that I was struck by this new-found concern for social disorder, a social disorder that the Leader of the Opposition (Mr. Stanfield) pointed to before the last election and for which he has provided some preventive answers. But then to talk about future difficulty, to call for action, was to express no confidence in the Canadian people. The land was strong—and Lalonde is expensive—the economy was strong, we were better off and all we had to do was shut off the prophets of doom and gloom.

● (1540)

Now this government worries about social disorder. Campaign promises which the government cannot afford to keep are now being shelved because the votes have been counted and the electorate can be sent out to pasture for

four more years to graze on Liberal promises and predictions.

Mr. Dinsdale: Pretty thin fare.

Mr. Wagner: "Cynicism" is too kind a word, "dishonesty" too trite, yet we must look at these words when those of us concerned about this nation's foreign aid program, both as it relates to our over-all economic situation and our over-all world responsibility, seek to probe the apparent lack of government preparedness to come clean and put its cards on the table.

With reference to the recently announced loan to Cuba, which we should note was made on the terms of the Minister of Finance (Mr. Turner) as opposed to the terms of the Secretary of State for External Affairs (Mr. MacEachen), it is surely appropriate to ask whether within the western hemisphere and within the group of nations in need of our aid Cuba must come first. While this party has never opposed closer trade relations with the Cuban people, is it now to be government policy that CIDA acts as an instrument of our trade interests? If so, does this now represent a new mandate for CIDA, a new departure, something totally unrelated to its responsibilities in the area of foreign aid?

The question we have to probe more deeply is whether those who administer CIDA and those who, through their complacency, allowed the administration to proceed as it has, are now choosing to alter the role of CIDA without altering its mandate. If so, why has parliament not been consulted on this change? We hear all too often of developing nations harbouring deep resentment against wealthier nations which always have at least one ulterior motive in their aid programs, namely, the reinforcement of trade prospects. If CIDA is now to become an agency operating for the sole purpose of advancing our own trade prospects, then we risk losing the good faith and trust so necessary on the part of recipient nations if the programs that are Canadian tax-shared are to be supported.

Mr. Speaker, what are CIDA's criteria for aid? How does CIDA define need? Does it relate to some objective assessment of our national interest and, above all, the interest of the developing nations; or does it relate to the personal preferences of the president of CIDA? Would our decisions stand up to public and international scrutiny; or is it known that to gain this country's favour one need impress only one man, the president of CIDA? What does that say about this government and our country? What does that say about the international reputation of this nation and perceived public values?

When we have an agency which spends more than all but two departments, when we have an agency which reports through a public servant to cabinet and not through an elected minister, when we have an agency that remains undefended by this government against direct, incriminating allegations, we have more than a gap in credibility; we have simply a gap in good faith, which is surely a basic commodity in even this government's approach to external aid and parliamentary participation in that aid.

It may be that the Secretary of State for External Affairs is as helpless in this matter as prime ministerial officials have rendered him in other matters. Nevertheless, what I know to be his sincere and deep commitment to international aid must surely be sufficient to spur him both as a parliamentarian and as a citizen to see the merits of our motion and to reassert his responsibility in this area by supporting it.

Some hon. Members: Hear, hear!

Mr. Wagner: The minister may well wonder what difference all this may have to the long-term objectives of his department in the area of external policy for this nation. No doubt aides and departmental advisers have urged him to treat this motion as a tempest in a teapot, an opposition ploy to place the government in some difficulty. I say to the minister that the foreign policy of this country, whether it relates to foreign aid, national security or international peace, is the domain of all Canadians and therefore the domain of this House.

Some hon. Members: Hear, hear!

Mr. Wagner: I say to him that he should understand how deeply Canadians want an opportunity to be involved in the development of foreign policy through their representatives in this House, an opportunity which previous ministers have denied them in favour of the mandarins and the unseen advisers. I say to the minister that foreign aid is at the core of this nation's social responsibility at the international level; therefore, the administration of that aid touches upon the integrity of all Canadians not only as Canadians but as human beings in the community of man. It will be sad and disappointing if this minister and this government oppose a motion affirming this integrity and this responsibility.

[*Translation*]

Mr. Speaker, about $733 million will have been spent in 1974-75, according to CIDA's most recent annual report which will soon be published, and once the 1975-76 fiscal year is over, probably around $900 million will have been spent. The government would like to restrict our questions and to restrict information available to the public to two or three sittings of the external affairs committee and to the testimony of the chairman and a few advisors of CIDA.

Mr. Speaker, the Canadian public must know what is going on in CIDA. This involves its money and its sharing commitment with the third world. Its elected representatives must be kept informed, since their mandate is involved. The press itself, which reports the activities of this Parliament, must be thoroughly familiar with the orientation, operation and decisions of CIDA. Their role is involved.

Neither my colleagues nor myself will be accomplices of the government's secretive policy in this matter.

A budget of nearly 1 billion dollars cannot and can no longer be the responsibility, for all practical purposes, of a single high executive, however intelligent or cultured he may be. Political choices as important as the sharing of Canada and Canadians with their brothers of the world, at a time when tens of millions of children over the world are to die from starvation within twenty-odd years, we are told, such political choices must not and must no longer be the exclusive province, for the essential, of one official

only, however good his intentions, and of his colleagues, whatever their degree of specialization.

● (1550)

Without respite since his election, the Prime Minister has been talking about participatory democracy. He urges Canadians to mind their own business, to be open-minded. At the same time, he protects CIDA activities, rejecting any political protection or stricter political authority over the agency. I feel like telling the Prime Minister what he said in his speech at the Queen Elizabeth Hotel: "Be very careful, right hon. Prime Minister, not to let yourself be taken in by your own words." It is all very nice to speak about participatory democracy, but you must also act.

Mr. Speaker, I see that my colleagues opposite are already convinced of the appropriateness of the motion. I would simply like to add that we have difficulty understanding, for example, CIDA's help to Brazil, a country whose economic health now allows it to launch its own foreign aid program. Brazil suggested that Canada's assistance be transferred to the Brazilian foreign aid program.

We also need to be explained the whole story behind that aerial photogrammetry project which we have been financing for five years in Morocco, and which is still incomplete after expenditures of over $4 million.

It might also be relevant to know the in-depth story about our help to the Ivory Coast in the Odienne area. Canada, as we know, undertook to carry out the rural electrification of the southwestern part of the Ivory Coast. A peculiarity of that electrification which, according to several experts, would have been more normal starting from the centre of the country, was that it allowed access to San Pedro, a dock for the iron ore locally extracted by a California firm for a Pittsburgh company.

From another point of view, we wonder about the very philosophy of this government and CIDA in the area of foreign aid. We question its coherence in that regard. Let me quote as an example Canada's attitude vis-à-vis Haiti and Haitians.

On the subject of Haitians awaiting deportation from Canada the government of Canada entrenched itself in a legalistic attitude that ignored all human elements in the record. By its unexplainable stubbornness the government of Canada made its desire known to the world to base its hospitality on most selfish economic rules. When a country behaves like that it is because its International Development Agency can be charged in certain quarters with taking an attitude, not of contribution to the better-being of the Third World, but of a business spearhead.

The philosophy of CIDA must be discussed. I should like to believe that some of the things we heard from one of the directors of CIDA are not representative of the general attitude. I will come back to it later when the estimates are considered.

So, it is to ensure a valid orientation for CIDA, more efficient administration of CIDA, and better participation of the people in the challenge of sharing their bread with the Third World, as the Canadian bishops urged, that we strongly insist that the agency be put under the political trusteeship of a specific minister other than the Secretary of State for External Affairs.

[Mr. Wagner.]

In that regard, Mr. Speaker, I shall venture to use the arguments of Mr. Claude Lemelin, a former editorial writer of *Le Devoir* who, if I am not mistaken, has recently been made a special assistant to the Secretary of State for External Affairs.

Some hon. Members: Hear, hear!

Mr. Wagner: The applause from my colleagues opposite makes me happy. That means they will endorse Mr. Lemelin's proposal and make it part of their policy. I quote:

> The Prime Minister should also seriously consider—

Those words do not come from the opposition but from the assistant to the Secretary of State for External Affairs. I resume the quotation:

> The Prime Minister should also seriously consider putting CIDA under the political trusteeship of a minister other than that of External Affairs. Thanks to this measure, the president of the agency would not too often have to take initiatives and decisions of a purely political nature vis-à-vis foreign countries; with this measure also, one minister would have the exclusive responsibility of promoting in a more efficient way the "international development" function and its bureaucratic implications within government agencies; for the last few years have shown that the workload of the Secretary of State for External Affairs does not allow him to give CIDA an efficient political orientation. With this in mind, we may think of two alternatives: either appointing a Minister of State for External Affairs in charge of CIDA but responsible to the Secretary of State, if it appears that the activities of this agency have to stay administratively related to the foreign policy of our nation, or making CIDA the Department of International Development... the activities of which would then be coordinated with those of other departments within cabinet committees...

I am extremely pleased at the arrival of Mr. Lemelin in the department, and I can already see that suggestion endorsed.

In conclusion, Mr. Speaker, I will say that we want to develop public participation in our foreign help. That is why, in fact, we formulated in a very objective way the following three ideas in our party's program:

(1) To intensify our efforts to take advantage of the expertise of professionals, students, self-employed people and retired Canadians who might serve overseas in the field of development, help, technology and engineering. They would all belong to an international development body which would work in cooperation with CUSO, CWUS (Canadian World University Services) and other organizations such as OXFAM, which get public help.

(2) To establish a national council for international cooperation, comprising representatives of various churches—

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member. I tried to allow him to conclude his remarks, but he already overextended his time by two minutes. Unless there is unanimous consent from the House, I must under the order accepted by the House—

Mr. Guay (Lévis): Mr. Speaker, I would give agreement, if the hon. member will let us put some questions after he has concluded his speech.

Mr. Wagner: This I will do with pleasure, Mr. Speaker, and I thank my colleagues.

Mr. Deputy Speaker: As the hon. member for Lévis knows, if the suggestion is to be accepted, I must ask for

unanimous consent from the House. That is, not only for the hon. member for Saint-Hyacinthe, but from all other members. This may be somewhat difficult to achieve, in view of present limitations. I now recognize the hon. member for Saint-Hyacinthe.

Mr. Wagner: Mr. Speaker, I was emphasizing the second point:

(2) Establish a national council for international cooperation, comprising representatives of various churches in the country, universities and Canadian groups with an interest in the Third World, in order to advise the government on a regular basis on its foreign aid policy.

(3) Consider, in consultation with provinces, the establishment of international development centres in our universities.

In conclusion, I say to all members on the government side: Let there be no misunderstanding about it. CIDA's philosophy and expenditures will from now on be closely scrutinized.

Because the validity of our foreign aid, the very credibility of our foreign aid policy and spokesman are involved.

● (1600)

In the course of this debate, my colleagues will take turns in trying to scrutinize the many aspects of foreign aid with the support of convincing facts, and by the end of this discussion, the people of Canada will have a better idea of how the government is performing and this, unfortunately, may create serious concern about the orientation and management of an operation which should be above suspicion.

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): Mr. Speaker—

Mr. Deputy Speaker: Order, please. Is the hon. member for Lévis (Mr. Guay) rising to ask a question? He needs the unanimous consent of the House to do so. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Deputy Speaker: There not being unanimous consent, I must recognize the hon. member—

Mr. Guay (Lévis): On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Lévis is rising on a point of order.

Mr. Guay (Lévis): Mr. Speaker, granted that the other members could be accused of behaving somewhat as demagogues or of playing petty politics, as a member of Parliament from Quebec, I still want to speak to a question of privilege rather than to a point of order, because after having listened very carefully to the speech made by the hon. member for Saint-Hyacinthe (Mr. Wagner), I must—

Some hon. Members: Order!

Mr. Deputy Speaker: Order, please. I should like to know from the hon. member who seeks the floor on a point of order to indicate exactly the basis for rising on a point of order at this time. If it is merely a matter of a difference of opinion or if he questions the facts related by the hon. member for Saint-Hyacinthe (Mr. Wagner), it is not a point of order.

Mr. Guay (Lévis): Mr. Speaker, here is my question of privilege. The hon. member, who is the opposition external affairs official critic, is misinforming the public. He asks a lot of questions to which answers are to be found in CIDA's annual report for 1973-74.

Some hon. Members: Order!

Mr. Deputy Speaker: Order, please. The hon. member for Lévis is entitled to his own opinion even if it differs from that of the previous speaker, but I must remind him that he should express his own views in taking part in the debate when his turn comes.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. At the start of the proceedings today there was a special order about the length of speeches: we reduced the time for ordinary members of the House so that more speeches could be made. Therefore, although I do not think there should be any objection to a few extra minutes being allowed the mover of the motion, beyond that I do not think there should be any extension of time. Otherwise what we did earlier would be in vain.

Mr. Deputy Speaker: The suggestion has been made by the hon. member for Winnipeg North Centre (Mr. Knowles) that there be no further extension of time. Does the House agree that we make this an order, so it will be clear?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I am glad the official opposition have brought forward a motion dealing with CIDA. May I make it clear at once that we in this party have supported and will continue to support the objectives of international aid, for which in this country CIDA is primarily responsible. Indeed, we believe that the volume of international aid should be increased by Canada and by all other developed nations according to the standards proposed in the Pearson report and accepted by the United Nations and the community of nations, which would require .7 per cent of the GNP to be contributed in direct aid. We regret that Canada has not lived up to this standard and we call for an advance to this level of international aid.

On the other hand, we believe that the operations of CIDA should be fully open to the public and parliament and there should be adequate scrutiny of its operations. We believe that this would strengthen, rather than weaken, the purposes of international aid. In general, we think there is a tendency on the part of governments and government departments and agencies to operate in an atmosphere of secrecy and to refuse to produce documents and reports. I adopt a statement made by the Secretary of

State for the Home Department in Britain, Mr. Robert Carr. In a statement made in the British House of Commons on June 29, 1973, he said:

> If the government and we in this House as individual members of parliament are to have a proper relationship with the poeple of the country whom we represent and govern, the people must have the opportunity to be as well informed as possible, both about the policies which we are following and the reasons which have led us to pursue them.

This, he said, was central to the whole machinery of democracy. CIDA is spending substantial sums, on behalf of the Canadian people, outside the country for the purpose of building a world community and adding to the security of the world. But there should be no secrecy about its operations. I would like to emphasize that we do not believe an effective program of international aid by Canada is a matter of charity or, indeed, of mere humanitarianism. It is a contribution to world stability. It makes it possible to believe that we can build a world community. It minimizes the danger of conflicts which can lead to infinitely destructive war. However, there is no reason in the world why this effort should not be fully known to and fully discussed by the citizens generally. If there are things that go wrong, we should know about them so they can be set right.

The famous American, Ralph Nader, of Harvard, in an article in the Civil Liberties Law Review, volume 5, pages 1 to 15, June, 1970, said:

> A well informed citizenry is the lifeblood of democracy; and in all arenas of government, information, particularly timely information, is the currency of power... In our policy, where the ultimate power is said to rest with the people, a free and prompt flow of information from government to people is essential to achieve the reality of citizen access to a more just governmental process. It is especially essential to provide this informational flow in the Washington regulatory agencies, which are essentially unaccountable to any electorate or constituency.

We should substitute "Ottawa" for "Washington" in that quotation. May I say, however, that in dealings with the third world and in seeking to narrow the enormous gap between the have and the have-not nations, international aid is not enough. As important, if not much more important, than international aid is a more just trade system and greater effort by the rest of the world to give access in its markets to the developing world for products produced in the third world. This is the avenue which we have to explore in the future. It is a great, unfinished item on the agenda: it will come up again and again. The third world, as it is called, is fully aware of the importance of trade to its future development. In the developed world we have hitherto turned a deaf ear to pleas for trade rather than aid.

I have had the opportunity to travel in parts of the world where I have seen CIDA projects in operation. Many of them, in my judgment, are doing excellent work. However, there is no reason why there should not be provision for adequate scrutiny by the government, by parliament and by the public. I am reminded of the fact that at the end of the last session, the standing committee on external affairs sought the production of a report, prepared at public expense by the chartered accountants firm of Price Waterhouse, which dealt with the apparent rapid turnover of personnel within CIDA. There were objections that parts of the report were irrelevant and reflected on individuals. To meet these objections the committee asked that the report be submitted to the steering committee, in camera, so they could decide whether the report was relevant in all or in part and whether the reputation of individuals needed to be protected by not making public parts of the report or names in it.

The president of CIDA indicated that he would produce the report. However, he was instructed by the then secretary of state for external affairs, now President of the Privy Council (Mr. Sharp), to tell the subcommittee and, through the subcommittee, a committee of this House that the document would not be produced. No reasons were given. Personally, I thought that in doing this the minister was flouting the rights of members and showing contempt for the operations of parliament and I moved a motion in the House to this effect. The Speaker of that day reserved his ruling and dissolution of the House the next day resolved the question. It may be that such a report contains inaccuracies or misjudgments, but surely if this is so it would be possible for CIDA to demonstrate that this is the case rather than to hide the report.

I make the following suggestions as to the way in which complete openness with regard to the operations of CIDA can be obtained. I do not think it is adequate, although it may be important, that the report and study of CIDA and its estimates be examined by the Standing Committee on External Affairs and National Defence. This committee has to range all the way across the globe, consider many important questions of policy and all the estimates of the Department of External Affairs as well as the estimates of the Department of National Defence and defence policy. There is no way, in the time available—however keen and informed the members of the committee may be—that there could be an adequate examination. The material made available is the annual review of CIDA which for the years 1973-74 has just been published. This is an interesting and informative review but, as might be expected, it is entirely uncritical.

● (1610)

The only means for greater governmental scrutiny of CIDA might be the appointment of a minister as assistant to the Secretary of State for External Affairs who would be in charge of CIDA and international aid generally. In Britain, as most hon. members know, there is such a member, known as the minister of overseas development, who at the present time is Mrs. Judith Hart. I have discussed the matter with her and she believes that to have a minister in charge other than the foreign minister provides for much closer examination of development aid and much more response to parliament. It has sometimes been said that it is important to have a minister of high prestige concerned with CIDA. By making the minister of overseas development, or whatever the title might be, an assistant minister to the Secretary of State for External Affairs would provide some measure of responsibility of a senior official in the cabinet which is, I think, highly desirable.

However, it seems we must go much further than this. There should, in my judgment, be some effective form of evaluation of projects by an independent source. This evaluation should not take place within CIDA, although no doubt it must take place there. We should not await the

end of a project, but there should be examination and evaluation in mid-term as well as at the end of the project. In this way it would be possible to ascertain which projects had been failures and which were likely to fail and should therefore be discontinued. If it were possible to ascertain the reasons for failure, efforts could be made to ensure that future projects did not fail for the same reasons.

We are conscious, of course, of the fact that conditions in each country are different. I cannot at this stage say exactly what the composition of this evaluating organization would be. It might well be that we should seek experienced people who have been with the United Nations development program or with the development assistance committee of the OECD. Some such external evaluation is essential, in my judgment. We should review very carefully the list of recipient countries. I believe we should confine our assistance, both on a multilateral and bilateral basis, to the nations in most urgent need as established by the United Nations itself in August of 1974. They issued a list of 32 or 34 nations which are in most urgent need. It seems to make sense that these are the countries which need our assistance. If we adopt the philosophy that the purpose of international aid is to aid ourselves, a different judgment might be arrived at. But if the object is to aid people who are in greatest need, then we should restrict our aid to these countries.

Second, we must concentrate much more on agriculture, particularly on food production in the developing nations. At the World Food Conference we learned that there are chronically up to half a billion people who are undernourished, including at least 200 million children who are stunted both physically and mentally as a result. Certainly the answer is increased food production in the developing countries. Developed countries such as Canada have a part to play by providing research assistance appropriate to the areas in question. Of course, we cannot forgo direct food aid where there are threats of starvation. Nevertheless, the basic objective of development should be to enable people to help themselves produce the basic food essential to decent living.

We must also ensure that our aid goes to the people: in other words, it should go to labour-intensive projects and not to the enrichment of those who are already relatively prosperous. It should not be a program for aiding business in Canada or outside, but for aiding people in need. We should have less tied aid and more multilateral aid. We should increase our program of assistance to non-governmental agencies such as the World Council of Churches, OXFAM and UNICEF, all of which have practical, ongoing programs operated by experienced people, with greater flexibility than is possible for governments or government agencies to achieve.

I wish I had time to discuss the question of training people from developing countries. I believe much more attention should be paid to training people in their own countries, if possible with Canadian funds. If they came to Canada they should be fitted into courses where they could learn skills that would be valuable to their own country, and they should be given assistance on return to their own country. We could ensure that students and trainees in Canada returned home for summer holidays so they did not get out of touch with their own countries and found it difficult to adjust when they had completed their training.

There are many other things which would make CIDA's and Canada's contribution to international development and aid even more effective—something of which Canadians could be truly proud. An essential element in this is that the operation should be adequately understood and full information about it made available. I have in my hand CIDA's annual review which was published a day or so ago. This is a useful document but it is certainly not enough. One could read it from cover to cover and not find the slightest suggestion that anything done under these programs was, for one reason or another not working well. I believe the people of Canada are proud of and willing to support a contribution to international development. We in this parliament must be sure that this contribution is as efficient, as innovative, as flexible and as well understood by the public as possible.

● (1620)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I am very happy to have the opportunity of participating in the debate on a motion introduced on one of the allotted days provided for consideration of the business of supply, and which will allow us to study and scrutinize the performance of the Canadian International Development Agency.

The motion states rather accurately that the members of this House and the public in general lack information on this government agency. In my opinion, what the hon. member for Saint-Hyacinthe (Mr. Wagner) has said is true. All we can work on is an extremely vague annual report, cleverly printed in vivid colours, if you please, and this costs a lot of money, but which says just about nothing. Moreover, when one writes to CIDA, one gets no reply nor acknowledgment. As a rule, Mr. Speaker, CIDA is as busy as a hive, but that has nothing to do with the parliament of Canada. Still, over $770 million, more than the budget of the Department of Agriculture, are handed over to CIDA to provide assistance to developing countries.

Several developing countries experience shortages in areas as essential as food, energy or housing. In view of those disastrous situations, the president of CIDA has said in presenting his annual report, and I quote:

... only a coordinated international response could effectively meet and minimize suffering.

Mr. Speaker, from that statement of the president of CIDA, we assume that he should give us evidence that CIDA assistance has really met and minimized suffering. In a few moments, I shall give extremely specific examples that will prove the opposite.

Mr. Speaker, CIDA operates in very strange ways. This government agency's annual report is the only document available to the House. Now, on page 25, there is a chapter on the Ivory Coast. I shall read from it briefly.

Ivory Coast's National Library, constructed at a cost of $4 million, half of which was provided by Ivory Coast, was inaugurated in January 1974.

And we are coming to an interesting section. When one reads an annual report, it looks fine, it reads well, it is said and I quote:

During the year, 26 Canadian advisers worked at designing, writing and printing textbooks and workbooks required for the country's educational television system. To the $1.7 million it committed in 1971, CIDA added a grant of $3.2 million.

Mr. Speaker, members of the House who go through that report and come to that educational television project do not learn any more than what is said in that short sentence. We spent about $5,000,000 a drop in the sea, but no member got more information on that little project that what is said in that short sentence.

On the basis of this information and of personal research—and I do not want to involve in any way any Canadian consultant abroad—I would like to make available to the House information that CIDA refuses to give us on this little project which is so briefly described in the annual report. In other words, the educational TV system for the Ivory Coast got a $5 million grant. As I said earlier, it is a drop in the sea of the $770 million available to this agency. The agreement is scheduled to end in 1975. And that is all we know. If one tries to find out more about this, one realizes that this is difficult, through normal channels, of course.

This project was started four years ago. For the information of the hon. members, I shall make a summary of the situation. This is interesting. The personel amounts to 30 Canadian families approximately since Canadian consultants abroad have an average of three to four children. As far as field personnel is concerned there were six different coordinators over a four year period. These were Messrs. Jacques Gagnon, Jacob, Dufort, Beaulieu, Lalonde and Samson. Mr. Gagnon resigned. We should know why. Mr. Jacob was appointed temporarily, but his contract was not renewed. Another, Mr. Dufort, was repatriated or released by the embassy. What is the embassy or External Affairs doing in this business? Another, Mr. Beaulieu, was asked to resign and was expelled. Mr. Bigras, second secretary at the embassy, appointed Mr. Lalonde ad interim. And finally, CIDA appointed Mr. Samson.

Mr. Speaker, there were six coordinators in four years. In five months, four coordinators were put in charge of four different CIDA projects. They are Messrs. Benoît, Bossé, Desrosiers and Lemelin. The effect of the staff turnover is obviously very serious, because there is no continuity in the work of the various volunteers who are constantly being transferred from place to place and are always under great pressure from the Canadian embassy, the Department of External Affairs and CIDA. Therefore, the interrelation of administrative responsibilities becomes an acute problem.

Mr. Speaker, we also should know about the role played by the Canadian embassy in this project. It would be important. Who is the ambassador? What does he do?

An hon. Member: Just look in the book.

Mr. Fortin: It is not written in it.

Why does the embassy have so much power? Two positions being vacant, those of cameraman and coordinator, Mr. Lalonde has been appointed production manager and not coordinator; however, he signs his letters as acting coordinator. Where is the truth?

Mr. Speaker, it was a printing plant. So, a four-color rotary press was ordered through this project at a cost of $250,000. But the worst of it is that the press has not arrived yet while two experts have been waiting one of them for two years, Mr. Bossé and the other one for one year, Mr. Dion.

I recently put a question in this House concerning paper. A printing plant is good but, by gosh, it needs paper! This government passed a contract with the E. B. Eddy Company according to a press report in *Le Droit* of February 27, 1974. I quote:

The Minister of Supply and Services, Jean-Pierre Goyer announced the awarding of a $1,449,538 contract to the E. B. Eddy Company in Hull.

This contract passed by the Canadian Commercial Corporation on behalf on the Canadian International Development Agency provides for the supply of 1,970 tons of paper of different grades to Zaïre (Equatorial Africa) by April 1974.

That paper has never arrived, Mr. Speaker. We should know exactly what happened to it. I wonder why members opposite talk so loudly? What do they have to hide?

Mr. Speaker, here is a good example. I have here a letter dated May 1st 1974, signed by Mr. Michel Verhas de Bouaké, Rupublic of Ivory Coast. This letter is accompanied by a petition signed by all Canadians overseas asking CIDA, the embassy and Canadian authorities to show leadership, to stop acting like fools and to make the necessary efforts so that this project be realized. Let us not forget Canadians overseas in our debate. It is a good thing, Mr. Speaker, to send $707 million to developing countries. Those are financial resources. But we must not neglect the human resources we send to those countries, through CUSO, CESO or CIDA. Now, Mr. Speaker, our human resources happen to be there to cooperate with the locals but they do not get any directives or if they do, they get them all wrong.

I have before me a document dated April 29, 1974. I will not read it to you, but any member interested in consulting it will be extremely surprised at the content; it is signed by all the volunteers who claim: Please, help us work, give us some equipment; you have sent us here under contracts and we are ready to perform them; we are competent, we want to work, but we have nothing to do. We have a rotary press that prints in four colours, that is we do not have the machine, but the two employees, the two skilled operators.

● (1630)

Mr. Speaker, these are the points I wanted to make.

I ask the Secretary of State for External Affairs (Mr. MacEachen), who is in the House, to have an inquiry made immediately and specifically on this particular project in order to find out how CIDA funds are appropriated. He will then understand why MPs have serious grievances against CIDA.

We do not wish to control CIDA nor dictate its policy. What we want is, first of all, that it be answerable to the House and that the minister give us the assurance that the funds allotted to this agency really serve the purposes for which they were appropriated.

Mr. Speaker, there is a deep silence, and the hon. member for Saint-Hyacinthe (Mr. Wagner) was right about that.

Now, from the copy of a contract of a person on assignment, I see that section 11 reads as follows: it is agreed by His Majesty and the assignee that, for the duration of the contract and for twelve months after the contract has expired, the assignee and his dependents promise not to publish anything, not to express in public any personal opinion deriving from the assignment of the assignee—

Mr. Speaker, persons on assignment are bound to shut off, not to say a word. Therefore, I ask the Secretary of State for External Affairs to say, when he rises later, how many people have completed their assignment? How many had to quit of their own free will before the termination of their contract? How many were expelled from CIDA? How many were there compared to the total number of persons on assignment, because surely that appears in the annual report, does it not? Is CIDA consulting or meeting with those people sent abroad?

Mr. Speaker, I have on my desk glaring proof that Canadians were sent to francophone Africa, not only to the Ivory Coast, but to other countries. I have proof that they were sent without a contract, that the contract was signed only six or seven months later, once the volunteers had reached their destination. I know of specific cases where people were promised reimbursement of their travelling expenses but never received the amounts entailed.

Mr. Speaker, to my mind those are specific and important points. I ask the government members to help us, instead of finding this funny; let them co-operate with us that Canadians might be proud of the help we give developing countries. It seems that debates like this one today on the Canadian International Development Agency are few and far between, because the opposition must initiate them. It seems to me this would be an ideal opportunity for the minister to make very specific commitments before the House with regard to projects of which we want to be proud. We are willing to help developing countries, on that we agree.

We hand over $770 million to CIDA, the third highest item in the Canadian budget, which is more than that of the Department of Agriculture, to help the countries suffering from extreme hardships, severe droughts or poverty, where thousands of people die of hunger. Mr. Speaker, some young Canadians are willing to give of themselves, to give up a few years to help them. They are willing to do so! But let us support them and quit playing games with them.

Mr. Speaker, I do not know how many members of the House have laid eyes on the expert's guide. That is the name given the volunteer. This is a document intended for internal circulation, bearing number 550, which outlines what the volunteer must do.

Mr. Speaker, once an hon. member has read this guide, he has reason to ask himself hundreds of questions on the administration of CIDA because the expert's guide is, in the final analysis, a monumental hoax.

Mr. Speaker, that is why I do not want to take more of the time of the House. What I have to say now about CIDA is all negative because of the evidence I have in hand. It seems to me that the minister should take this opportunity to give us the assurance that he will answer the question I asked him the other day; I ask him again to assure us that he will order an immediate inquiry on the complex project of televised education in Ivory Coast.

He will realize that what I am now telling him is true. I can provide him information if need be. I am ready to co-operate with him and he can ask himself questions about other projects so that we may be proud of the assistance we make available to other countries.

In conclusion, Mr. Speaker, there are a few things I would like to say in six very brief points. With the information I have, I can come to this conclusion: Some Canadian volunteers arrive in the host country from Canada without a working permit. Therefore, they have problems at the airport. That is not provided for by CIDA. I can give you names. Some volunteers leave without any contract in hand. I wonder whether the hon. member for Sainte-Marie (Mr. Dupont) would go to work under such conditions. Some are surprised to see their contract cancelled by CIDA due to staff turnover, and that, without previous notice. A Canadian volunteer is sent to a country, and then his contract is annulled and he is required to sign another one.

Fourth, contract promises are not kept by CIDA. For example, Mrs. Gabrielle Robert was supposed to get a contract but she had no job once she got there. Mr. Speaker, I can even give you the names of Canadian volunteers who have no job in the countries where they are sent.

Finally, some volunteers do not work at the place where they had been assigned before their departure from Canada. Consequently, they must look for a job once they get there. I have even heard of a physical education teacher who got to a given country. He went to the school where he had been assigned under his contract and he was told: "We do not have any work for you, sir. Maybe you will find some at the next school". So, this teacher, whose name I can give you, went to the next school. He was told: "Sir, we cannot hire you because we already have a physical education teacher. But if you would go in another town, maybe you will find a job". Finally, this teacher went to the National Education Department of that country where he was hired. At the end, CIDA cancelled his contract and he has been brought back to our country.

They managed to discourage a young Canadian who was willing to give a great deal of his time, of his health and of his knowledge to help people who live in poverty and need our assistance.

Mr. Speaker, this kind of assistance is a disgrace. I suggest that the department should take measures instead of bragging, as Paul Gérin-Lajoie does, about having $707 million to distribute. It sure looks good, Mr. Speaker. If human value is so important to him, let him first look after his volunteers so that they can give their best and be proud of it instead of having to work under present conditions.

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I want to begin my comments by saying that the House of Commons is aware that a number of fundamental changes have taken place in the

world economy in recent months. The inflation which has gripped the world, and the energy crisis with ensuing balance of payments difficulties, have had a very serious if not tragic impact upon the poorest countries of the world and the poorest peoples of the world.

Probably we ought to be devoting our attention in the long run in the House of Commons to consideration of ways and means of cushioning the impact of these global problems upon the developing countries of the world. Hopefully, today is the beginning of a process that will continue in the standing committee, in the House of Commons and in the country and will enable us to arrive at a consensus as to how best we can cope, as a nation, with world problems, especially those that affect the third world.

I was impressed during the debate by the general support for Canada's international effort in the field of aid. I want to tell my friends in the House of Commons that as Secretary of State for External Affairs for a very short time, I have discovered, as did my predecessor for a much longer time, that the perception of Canada's role in the world, a perception shared by the developing world and by others who are engaged in the developing world, is very favourable indeed.

Some hon. Members: Hear, hear!

Mr. MacEachen: I do not make that comment in any way to turn aside the criticisms which have been advanced in respect of our aid program. The hon. member for Saint-Hyacinthe (Mr. Wagner) in moving this motion has made a call for scrutiny. He has asked why the Canadian International Development Agency has become the fiefdom of one man. If Canada's international aid program, on which millions of dollars are being spent, has become the fiefdom of one man, the responsibility lies on the shoulders of members of the House of Commons. But I want to assure my hon. friend that the Canadian International Development Agency is not a fiefdom. It continues to be responsible to the government, and through the Secretary of State for External Affairs it is responsible to parliament. The head of CIDA has exactly the same status as any deputy minister in the Government of Canada, and his relationship to the minister and to parliament is precisely the same as that of any deputy minister.

● (1640)

Hon. members say they have had no opportunity to scrutinize the affairs of CIDA. Well, I must say that I do not take that seriously at all. The charge of secrecy is so ill-founded that it smothers the opposition in ridicule.

Some hon. Members: Hear, hear!

Mr. MacEachen: The Secretary of State for External Affairs and the president of CIDA have been prepared to appear before the Standing Committee on External Affairs and National Defence in all those past years. As I have looked at the record, I have found that the president of CIDA has in fact appeared before the committee every year and has been willing to answer questions. Indeed, he has been willing to come back and to provide the committee with the questions it might want to ask. He has invited members of parliament to go to CIDA to get more information. But members opposite make the plaintive cry, "We are powerless".

What has happened to the official opposition? What has happened to the public accounts committee? The chairman of the public accounts committee is a member of the official opposition, and the accounts of CIDA must go to the committee every year; but never has the public accounts committee asked that CIDA officials appear before it as witnesses. Perhaps the reason is that the former auditor general—the gentleman whom my friend, the hon. member for Peace River (Mr. Baldwin), respects so greatly and who has presided over the accounts of Canada—has never raised a single criticism about the administration of CIDA. Maybe that is why the official opposition have failed, through the public accounts committee, through the estimates committee or through any other process, to conduct the scrutiny that they now desire.

So far as I am concerned as minister responsible, I welcome the fullest scrutiny. In fact, today I welcome the opportunity to set the record straight on some of the ill-founded criticisms. I do not mind criticisms that are based on fact, but I do mind criticisms that are ill-founded and based upon ignorance. Do not say that CIDA has been immune from scrutiny. The opportunity has been there. If the House of Commons has failed to take advantage of that opportunity, we should not blame CIDA but ourselves.

Some hon. Members: Blame the government.

Mr. MacEachen: No, sir, not the government. CIDA has been one of the most open agencies that I know. The avalanche of press releases informing members of parliament of projects is enormous. I have looked at these releases coming out every so often, advising us of the projects that are being financed by CIDA throughout the world. But hon. members do not know about it. Do hon. members blame CIDA because they do not read their mail?

Then I think of sitting in the House of Commons since the end of last September as Secretary of State for External Affairs, waiting every day for penetrating questions from the official critic of the opposition on CIDA in particular, in which subject he has shown such a recent and accelerated interest. I must say that the record of penetrating interrogation on the floor of the House by the opposition is dismal. I believe that from the opening of parliament on September 30 until the Christmas recess—that is, three months and about 40 hours of oral questions' time—exactly five questions have been put to me on international development. Since January, the record is hardly better. There were a few more questions, all vague, always general and very slightly related to Canada's bilateral aid programs in which hon. members opposite have shown such interest today. So I have been coming in every day loaded with papers, waiting, sharpening my wits—and nothing has happened. I wonder what is the point of becoming informed in the House of Commons about CIDA when nobody else seems to care. I am glad that attitude has changed.

The hon. member for Saint-Hyacinthe has said that it would be interesting to know about certain projects. He

referred to the cadastral survey in Morocco and said it would be interesting to know about it. Apparently he had questions about it. But that project was approved and the announcement was made in 1968. Surely in that period the hon. member could have gone to the committee and asked some questions. But really he was not interested in asking questions.

Mr. Wagner: I was not here in 1968.

Mr. MacEachen: He was inspiring his colleagues from Quebec at meetings of the Standing Committee on External Affairs and National Defence, not asking about the cadastral survey in Morocco.

Another project is that of the national library on the Ivory Coast that the hon. member for Lotbinière (Mr. Fortin) raised. That was approved in 1969—but the hon. member says he has not received any information on it. The committees have been meeting—the Standing Committee on Public Accounts and the committees on estimates. Surely a hard-driving member of parliament could have gone to the committee meetings in those five years and found out what was going on.

The same is true of all these projects that have popped up in print recently. The motorization program on river boats in Senagal was approved in 1971, and the building of the boarding school was approved in 1969. The provision of fertilizer unloading equipment for the ports of India was undertaken in February of 1971. All during these years controversial projects about which the hon. member says it would be interesting to know something about have been there; but few, if any, questions have been asked.

I am glad there is a conversion. They want scrutiny and I want scrutiny. I think this is great. There has been such massive misinformation. The hon. member spoke about the loan to Cuba and suggested that there was a rift between myself and the Minister of Finance (Mr. Turner). In fact, there was a story in the press on this subject relating to a letter which I was alleged to have sent to the Minister of Finance protesting the views of the Minister of Finance on this subject. The fact is that no such sentiments were ever expressed either by voice, by word, by pen or by typewriter. Never did I differ with the Minister of Finance on the financing of the loan to Cuba. When CIDA, just seven days ago, announced a detailed accounting of the Cuban loan, most of those who attempted to exploit the imaginary rift between myself and my colleague did not see fit to report the facts about the alleged controversy which made the headlines just a short time ago.

● (1650)

Then there was another story about Iran, with its oil riches, to which CIDA was alleged to have loaned $100 million on soft terms. Well, the loan to Iran never took place—not for a dime, let alone $100 million. Iran has never been in the development assistance program of Canada. Then, of course, there were the lie detectors. An important journalist, a former member of this House who has sat on both sides, said that CIDA was providing lie detectors to Cuba. One can imagine the fear which struck the hearts of the timid in Canada when they learned we were providing lie detectors to the Cuban authorities. It turned out that these machines, called polygraphs, were in fact needed for public health and animal husbandry programs in Cuba.

We were accused of subsidizing a private airline in Indonesia. That did not happen. We are accused of subsidizing the oil-rich countries. Are hon. members going to be drawn in by these spurious allegations that we are subsidizing oil-rich countries through CIDA? For example, Indonesia was mentioned as having a per capita income of $80, based on the gross national product, or a personal income of $100. Nigeria, which has improved its per capita income, is today standing at about $230. The hon. member asked me to tell him our criterion for providing aid. The criterion is poverty based on per capita income. If we give aid to Indonesia, Nigeria and Algeria despite the welcome improvements in their economies, it is because their standards of living and their per capita incomes are still unspeakably low in Canadians terms. The hon. member asked about Brazil. He asked an important question. Why do we give aid to Brazil? Does the hon. member know Brazil well? Has he talked to Bishop Camara of Recife, who is a worldwide authority on development and who knows Brazil well? If the hon. member had spoken to him, he would have been more moderate in his charges in regard to extending aid to Brazil.

Probably the most damaging criticism of all those made in this House was that in the dying months of 1974 CIDA rushed around trying to get rid of $117 million or so before the axe went down at the end of the fiscal year. I find that pretty hard to take, because of the $117 million, $70 million was reallocated in accordance with pledges made at the World Food Conference to feed the hungry of the world: $70 million was food aid. This reallocation was absolutely necessary because of the world food crisis and the plight of many countries. We provided $50 million plus $20 million of food aid commitment—$71.4 million—to countries like Bangladesh, Sahel, Tanzania, Ethiopia, Pakistan and Srilanka. I think it was good that we rushed around to provide help in that amount to the starving people in these countries. Part of the reallocation was in the acceleration of ongoing projects in the amount of $20 million for a railroad in Malawi, Kenya and Botswana.

Then we accelerated and approved new projects in the amount of $25 million, reacting to the inflationary problems, the balance of payments problems and the financial problems of the underdeveloped world. These reallocations were not made by this so-called fiefdom. They were approved, signed and authorized last November and December by myself as Secretary of State for External Affairs, and when I go before the committee I will be happy to explain each and every item in that $117 million. If any hon. member of this House argues that that money has been wrongly spent, I will ask to be convinced that it was and I will apologize if he can show me and the members of the committee that what he says is right.

Some hon. Members: Hear, hear!

Mr. MacEachen: I hear that criticism while we try to get more rice seedlings to Bangladesh or more fertilizer to Pakistan and Srilanka. This was all part of the reallocation of the $117 million. I would like to close on a more conciliatory note than that which I have been following

for the last few moments. This is a large program, it is an expensive program and it is growing every year. International development is difficult. Development, even in Canada, is difficult; development in the Atlantic provinces is difficult. But it is much more difficult in the developing countries of the world which are just emerging into independence, which have new governments and low standards of living. We just cannot apply Canadian standards of management to these new countries; therefore, I do not think that every project will be a howling success. If hon. members think they will be, they are making a mistake. What we must do is exercise the best possible management and administration of these programs.

Since I have taken on this job I have been impressed by the dedication and energy of the officers of the Canadian International Development Agency who are administering these programs throughout the world. They are, I think, gaining for Canada a recognition and reputation which, if it is not the envy of the world, is at least the equal of any other country in the world.

I hope I am not giving the impression that everything in our development program is relevant to the very rapidly changing world in which we live. We have our programs constantly under review. Some of the comments made today as to the eligibility of countries are very much on our minds in reviewing our program. But aside from the review which is normally carried on, since I have become minister I have been conducting a rather fundamental review of CIDA programs and their relationships to all other aspects of government policy. We hope we can present at a future time a comprehensive policy to parliament and to the Canadian people which will explain, bring up to date and make more relevant our programs. I do not anticipate any miracles. We are working on this, and I hope at that time hon. members will be ready to scrutinize our programs.

● (1700)

Mr. Alkenbrack: Mr. Speaker, I rise on a point of order. Having listened to the minister's comments with interest and heard him speak about the Cuba loan, may I ask, what is the interest rate on this loan?

Mr. MacEachen: Mr. Speaker, I have the press release here; it contains all the details. I will be happy to send it to the hon. member.

Mr. Wagner: Mr. Speaker, I rise on a point of order. Perhaps the minister will permit a question the answer to which may clarify his statement. Are we to understand that there has been no divergence of opinion as between the Minister of Finance and himself relating to the Cuba loan?

Mr. MacEachen: Mr. Speaker, this is what I said.

Mr. Wagner: Mr. Speaker, would the minister be prepared to table in the House correspondence or notes which have been exchanged between himself and the Minister of Finance on this topic?

[Mr. MacEachen.]

Mr. MacEachen: Mr. Speaker, my hon. friend ought not to be drawn into believing that every letter presented for a minister's signature is signed and sent.

Mr. Wagner: Mr. Speaker, I rise on a question of privilege. My question was very precise. I am sure the minister did not intend to mislead this House and I am sure that he understood my question perfectly well. It was as clear as I could make it. Would the minister be prepared to table the correspondence exchanged between himself and the Minister of Finance relating to the divergence of opinion which existed between the Secretary of State for External Affairs and the Minister of Finance, these notes having been exchanged in December, 1974? Is the minister prepared to table them?

Mr. MacEachen: Mr. Speaker, no, because the hon. member is still being sucked in to believing the newspapers.

Mr. Wagner: Mr. Speaker, on the question of privilege—

The Acting Speaker (Mr. Penner): Order, please. Would the hon. member please resume his seat. I remind the hon. member that he sought the floor on a question of privilege. What he has presented is a dispute about certain facts, and that, as the hon. member knows, does not constitute a question of privilege.

[*Translation*]

Mr. Fortin: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Penner): The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Speaker, the hon. minister said that members did not ask him questions although he came to the House quite prepared. The other day, I asked him a question on the management of a television project in the Ivory Coast. I did not receive any answer then. I asked the same question again in my speech a moment ago, and he did not answer. Can the minister tell the House what he intends to do with the request I made to him?

[*English*]

Mr. MacEachen: Mr. Speaker, it is difficult in a debate of this kind to deal with specific projects and give details about personnel, their qualifications, their travels and when they arrived in the host country. This is a very interesting and important question, and once we get into committee I guarantee to the hon. member that every question he asks will be answered to the best of our ability.

[*Translation*]

Mr. Fortin: I rise on a question of privilege, Mr. Speaker, I have here a petition signed by thirty two Canadians on assignment abroad who demand immediate action by the government. I ask the minister—and I am going to give him a copy of the petition—whether he would order an investigation into the matter.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg South Centre (Mr. McKenzie)—Administration of justice—Enforcement of maintenance orders issued by family courts—Government action; the hon. member for Victoria (Mr. McKinnon)—National defence—Inquiry whether Canada negotiating with Brazil in purchase of armoured cars; the hon. member for Laprairie (Mr. Watson)—Air Canada—Attempted denial of right of member to appear before labour board—Refusal to pay employees appearing as witnesses.

Pursuant to the order made earlier this day, the House will now revert to motions.

ROUTINE PROCEEDINGS

AIRPORTS

PICKERING—TABLING OF DOCUMENT GIVING REASONS FOR GOVERNMENT'S DECISION TO PROCEED WITH DEVELOPMENT

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I realize that many members are concerned about the Pickering because the issues are most complex. Deciding whether or not to build a new aviation facility for the central Ontario region required careful deliberation. The government considered six years of studies, the report of the airport inquiry commission, and then a further interdepartmental review which took into account such matters as broad national policy implications for the longer term growth in the economy, the deconcentration of population and the relative roles of the various regions.

Rather than expound on the advantages and disadvantages of the alternatives to constructing the Pickering airport, I would like to table a detailed paper which explains the rationale behind the government's decision to proceed with immediate development of minimum international facilities at Pickering, to allow for known traffic demands, to permit full consideration of future policies and to come to grips with Canadian desires for the demographic composition of our country. This decision reflects the necessity to meet minimum essential needs while allowing us the time to pursue all other options.

[*Translation*]

Basically, Madam Speaker, this decision will allow us to avoid a congestion crisis at Malton in 1978-79, take immediate steps towards minimizing the Malton noise problem, ensure that the government has flexibility to respond to changing needs and demands. In proceeding with Pickering we will continue to work closely with other departments including environment, agriculture and urban affairs. There are a number of major outstanding issues that need to be resolved through federal-provincial consultations as well as discussions with the regional and local governments and with the people directly involved. I will keep the House informed of our progress on these matters.

[*English*]

Pursuant to Standing Order 41(2), I wish to table a paper giving the rationale for the government's decision concerning Pickering airport.

Mr. Sinclair Stevens (York-Simcoe): Madam Speaker, we are disappointed in the minister's statement. We believe our position on a second Toronto international airport has been made abundantly clear.

Mr. Macdonald (Rosedale): The hon. member means all five positions.

Mr. Stevens: In October, 1972, the Leader of the Opposition (Mr. Stanfield) said, after reviewing all the circumstances regarding the need for a second international airport at Toronto, that he remained convinced that the case for a second airport had not been made. In no way has the minister in his statement today indicated any reason why the official opposition in this House should change their view concerning Pickering airport. In fact, I suggest that today's demonstration by the Minister of Transport (Mr. Marchand) is a clear indication of the tremendous indecision and uncertainty that runs through that entire department. We have a project that may result in hundreds of millions, if not billions of dollars of federal expenditure, yet a decision is being made with so much uncertainty that the minister could not even come into the House at two o'clock to deliver his statement because it was still being written. He asked for time, until five o'clock, to prepare his statement.

● (1710)

In my area of central Ontario we have had similar experiences with high-spending, highfalutin' Liberal government programs. The attitude of the present government, which is caught up with the bureaucracy and the consultants, is very similar to the attitude that apparently prevailed in this country at the time of the boom in canal building. At that time everybody wanted to build a canal. In our area, Sir William Mulock proposed the building of a canal. I invite the Minister of Transport to look at the Mulock ditch. It is still there. No ship has ever been through it, in spite of the fact it was one of the tremendously costly misadventures of the Liberal federal government at that time.

What is being done today will result in a very valuable part of central Ontario becoming known as the "Marchand wasteland". If you can believe and take seriously what the minister says, 18,000 acres will be devoted to the construction of a pint-sized airport with one runway and whatever terminal facilities are required. That sounds very innocent. I suggest, however, that that is the thin edge of the wedge. This government intends to put through a Pickering airport development very much in the style that they originally contemplated when they first made the announcement. Today's performance is purely politically

oriented, as so much concerning a second airport in Toronto has been politically oriented by this government.

Let us get the record clear. When the first announcement was made concerning the proposal to build at Pickering, our party spokesman at that time made it clear that we did not believe a second airport should be built. We suggested a preferable approach would be to build an airport in the Kingston area which would service the Toronto, Montreal and Ottawa areas. We suggested that rapid transit facilities could be built between the central airport in the Kingston area and the three cities I have just mentioned. As well as a high speed transit service for the airport, the service would have been of inestimable value to the residents of the three cities with regard to their commuting problems. That was our position at that time.

I will be very interested in hearing the spokesman for the New Democratic Party. If you read *Hansard* for March 2, 1972, you will see that the hon. member for Oshawa-Whitby (Mr. Broadbent) was almost bubbling over in his commendation of the Jamieson proposal announced that day. He concluded with the following words:

> I conclude, Mr. Speaker, by congratulating the minister on his decision; I think it was a wise one.

That was his attitude on March 2, 1972, concerning the announced Pickering airport. We believe it was not a wise decision. We believe that the minister's suggestion today that he will have only some kind of mini-airport with a mini-runway is not being frank with the Canadian public. The minister made it clear that he believes international air service should be routed through Pickering. He referred to the Gibson report in certain respects, but not to the comment on page 212 of the report which states that all international travel should be routed through Pickering. These are the words used:

> The noisiest aircraft presently operating at Malton, the DC-8 and the 707, which are used in the international sector, will fly from the proposed Pickering airport.

I believe it is important that that be on the record. This airport is being designed to carry the noisiest aircraft presently in service. In referring to the Gibson report, we should bear in mind that that report substantially accepted and endorsed the Ministry of Transport's projections with regard to air travel in the Toronto area. We suggest those statistics are already outdated. They are based on the years 1973, 1972 or earlier.

The Minister of Energy, Mines and Resources (Mr. Macdonald), who is in the chamber, knows the impact which the energy crisis has had on air travel. There is serious doubt whether projections based on those statistics are reliable when projecting future air travel. That is why we suggested to the minister that rather than making the hasty decision he has given today he defer his decision for two, three or possibly five years to avoid an unfortunate mistake such as I believe he has made.

We suggest this because already 1974 figures for air travel indicate there has been a slackening in world air passenger travel increases. A recent ICAO news release is headlined "World airline traffic in 1974 shows smallest increase in 15 years". It points out that the year's rate of growth for total traffic was the lowest since 1958. They also point out that 1974 was the first year in which the airline industry showed a decline in aircraft miles flown. Is it not reckless for the government, knowing that this entire sector of transportation is changing, to rush in with today's hasty statement? They say they intend to go ahead with Pickering with one runway. This somehow is to pacify those in the area surrounding Pickering, and at the same time the government is hoping to pacify the Malton residents.

We have made it clear that we believe there is no need for those in the Malton area to be subjected to rising noise levels as a result of air traffic activity. We stick to that assertion. We believe that there are already possible alternative means of transportation that could handle much of the air traffic increase now projected to go through Malton. I refer to rapid transit between such points as Montreal and Toronto, or the development of a STOL Airport at the Island airport. There are many other technologically possible alternatives than simply stating that we need a second airport for Toronto and it should be at Pickering.

● (1720)

I should like to turn now to the lot of those people who live close to the Pickering airport site. In his statement the minister made it clear that the Gibson report points out that certain communities adjacent to the Pickering site may have a noise problem. He says that he is sympathetic to the residents of Claremont and hopes that some arrangement can be made to buy their properties. I take it that the residents of Stouffville will just have to live with the noise in spite of the fact that the Gibson report recommended that some effort should be made to reach an accommodation with them. The minister says that he does not believe they are going to be bothered by the noise and his department does not intend to offer any compensation to them. He also said that he intends to consult municipal and provincial governments. I was glad to hear that. I would point out, however, that up to the present he has not consulted municipal governments in the Pickering area nor the municipal government in Stouffville.

At page 75 of the report of the airport inquiry commission the following statement appears:

> The commission is of the opinion, having heard all the evidence, that the 28 NEF contour comes too close to Claremont and too close to Stouffville and if the Pickering airport is to be developed that the lands embracing both of these communities should be acquired.

At page 76 of the report the following appears:

> It is the commission's view that the project should include, as a minimum, the expropriation of all land within the 25 NEF zone level, or greater, in addition to that which it has commented upon concerning Claremont and Stouffville.

Hon. members should note that according to the document just tabled, the minister does not accept the recommendations of the Gibson report concerning the residents of Stouffville. This is most unfortunate. The government has purchased 18,000 acres in the Pickering area and has frozen about 60,000 acres, without compensation. For the Mirabel airport, however, the government bought over 80,000 acres outright. In Ontario they have just purchased the 18,000 acres and frozen the land surrounding the area. The Gibson report said, in effect, that if the government wished to go ahead with the Pickering airport it should

offer to buy the surrounding land. However, the minister has turned down that recommendation.

The Acting Speaker (Mrs. Morin): Order, please. According to Standing Order 15, a spokesman for an opposition party may reply briefly to a statement of the minister. Perhaps the hon. member for York-Simcoe (Mr. Stevens) would like to bring his comments to a close.

Mr. Marchand (Langelier): If he sticks to the truth it will be very short.

Mr. Stevens: Thank you for your comments, Madam Speaker. As the minister has indicated, however, it has taken six years to get to this point and we in the opposition are very disturbed about what has happened. I should just like to conclude by asking all members if they think it is reasonable to believe that the Department of Transport and the minister propose to build a one-runway airport on 18,000 acres, with all the infrastructure that is required. As is pointed out in the Gibson report, new highways will be required, new sewer facilities and water facilities must be built, and it will lead to the expenditure of hundreds of millions of dollars. The fact is, of course, the government does not propose to build a mini-airport at Pickering at all. They are determined to build a super airport which will become another white elephant.

I earnestly hope that every member of this House will lend his voice in opposition to this foolish move by a minister who admits that his department is in a mess.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, the decision announced this afternoon on the Pickering airport rivals the decision made a couple of weeks ago on Syncrude, for economic and social irresponsibility. The minister did not announce plans for an international airport which would be part of a developed plan to integrate regional, national and international air services in Canada, as we might have expected. He has not presented the Pickering airport as part of a comprehensive transportation policy, but is continuing with the *ad hoc* type of decision-making that he has adopted since becoming minister.

In the statement the minister tabled, he said—I note he took care not to include this in his comments in the House because he knew we would have laughed him behind the curtains—that the Gibson report constitutes "an impartial report" of the problem. Nothing could be further from the truth, Madam Speaker. This report takes over, holus-bolus, the whole set of assumptions and the whole methodology that preceded the original decision made by the Department of Transport.

The whole report constitutes an apologia for a decision reached many months or years ago by the department. In fact, it has just cost the taxpayers a great deal of money to duplicate what had already been decided. It is ludicrous to suggest that the report is in any sense an impartial inquiry into the need for an international airport at Toronto. Not only is the report not impartial but it can be faulted on technical grounds. I am not going to transgress the rules of the House by going in detail into the criticisms that have been made of the report, but I do want to mention a couple of mistakes that one would have thought the experts in that field would not have made.

At one point the number of people affected by noise in the Malton area was calculated at twice the actual figure. The mathematicians began with a series of concentric circles: in the outer circle they made the mistake of adding on the number from the inner circle; thus, they came up with a figure for those affected by the noise level in the Malton area of twice the actual number. That is a simple technical mistake that one would have thought even ordinarily competent technicians would have spotted. Of course it is the kind of mistake that reinforces the minister's argument against expanding the Malton facility.

● (1730)

Apart from integrating this decision with an over-all transportation policy, which I for one had hoped the government would give us, if not this afternoon then at least in the expanded speech that the minister tabled, though it it not there either, the crucial point is that he should at least have established the need for an airport at Pickering. Forget the economic benefits and all the other considerations for the area; if we spend a minimum of $1.5 billion of federal funds on an airport in the Pickering area or anywhere else, we have to establish need, and that the minister has not done. Surely this is the ultimate condemnation of his decision.

I want to refer, since the minister did in his remarks, to what I think he called the coming crisis in 1978-79 at Malton if some action of the kind he has now decided upon is not taken. Let us assume that the projections for 1978-79 turn out to be correct, though I do not assume they are correct. To go back to the methodology, this whole report was based on the cost of travel which existed prior to the energy crisis. It is incredible that the forecast of continued use of aircraft for travelling should have been assumed to be constant by the minister in light of the energy crisis.

It is stated as an assumption that one can expect air fares to diminish constantly. The fact is that air fares are going up, not down. However, let us assume, at least for 1978-79, that demands for air travel in the Malton area are what the minister anticipates. The point is that facilities at Malton could be expanded to take any additional air traffic without increasing to any significant degree the numbers of people who would be affected by the noise.

The minister knows—at least I hope he knows, though I am not always sure that is the case—that the number of those affected by noise in the Malton area between 1972 and 1973, instead of increasing, actually went down by some 33 per cent. Surely that fact is important. Why is the number going down? It is because of improved technology in aircraft. Aeroplanes are getting quieter, not noisier. They are also getting larger, so that a greater number of people can be carried by fewer planes, which itself reduces the total amount of noise. In addition, if you expand and use the runway facilities already at Malton in a sensible way, you can also decrease the number of people affected by noise.

The conclusion, therefore, is that even assuming the level of air traffic the minister assumes for the period 1978-79, Malton could have been expanded to take into account the increased number of flights without significantly increasing noise levels at all. Indeed, beyond that date because of all the improvements being made in con-

trolling noise levels, the future of the people in the Malton area need not be seriously affected by noise at all.

I want to conclude on this note. The need for an international airport has not been established. We are going to lose valuable arable land that is needed for food production. The minister is flying in the face of the opposition by residents in the area, the desires of all municipal politicians in the Toronto area, and against the expressed desire—

Mr. Macdonald (Rosedale): You know that is not true.

Mr. Broadbent: It is true. The minister had a telegram from the mayor of Toronto and all the councillors. The minister is flying in the face of the development plan of the Ontario government for the whole region. He is making the kind of decision that was put upon him by his own department many years ago, and he cannot extricate himself from it now for political reasons. In short, he is abdicating all sense of responsibility as Minister of Transport, and it is time he resigned.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I understand that I am presently the only French-speaking member in this House, but I listened very carefully to the remarks—

[*English*]

Mr. Alexander: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Hamilton West on a point of order.

Mr. Alexander: I dislike interjecting at this point knowing members have limited time, but I thought the leader of the NDP might give us some indication of why the flip-flop from the statement he made on March 2.

Mr. Broadbent: Mr. Speaker, if I have the indulgence of the House to reply to that, I would certainly be happy to do so.

Mr. Speaker: Order, please. In fairness there is no known machinery whereby a statement on motions can be interrupted for the putting of questions to hon. members.

Mr. Broadbent: Mr. Speaker, by unanimous agreement we can do anything.

Mr. Speaker: Order, please.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, just a moment ago, I was saying—when there was much noise in the House—that there was much noise near airports. Someone says that there is also water. I am ready to accept water because it is necessary, but not noise when I speak in my own language in the House. I respected the speakers before me when they talked in another language. I was careful not to make noise and I do not accept it. I wish to say only a few words about the statement made by the Minister of Transport a moment ago. I wish to do it sincerely and express myself clearly to show once more that in this Parliament we have our responsibilities. It is about time for people to understand better that parliamentarians are the ones who should be making decisions here.

Mr. Speaker, the statement of the minister was short despite the importance of the subject which is extremely serious not only for today and tomorrow, but for years to come. The minister made his statement a few minutes only before five o'clock, and that I regret. We should have liked not only to hear his statement but also to know the content of the paper he has been good enough to table. This would have given us the opportunity to make more knowledgeable comments on the subject raised.

One fact, Mr. Speaker, should be remembered more often. It has always been my view members of the House represent Canada as a whole. This, at least, is what one may read in Beauchesne, and there should be no amazement if a French-speaking member rises at some point to speak on a question, especially if it concerns an English-speaking area of Toronto. This is quite normal for someone concerned with the whole country's welfare, considering that today one goes very rapidly from one area to another, thanks to modern technology and transportation. One must give serious consideration to any suggestion leading to better accessibility, so that Canadians can better understand each other, better communicate, practice trade in a more efficient, better way, and truly build a country that every Canadian can call his own, whether he lives in the east or in the west.

Mr. Speaker, the minister indicated this decision was taken after six years of studies, after the airport enquiry commission submitted their report to the minister and, I surmise, to the Cabinet. All this is the result of three enquiries: one made six years ago, one by the Pickering airport enquiry commission and the third, a departmental enquiry.

Personally, Mr. Speaker, as a member of the House, I would have welcomed the opportunity of being made aware of results as the enquiry process went on.

It is not a matter of seeking to lead or give directions, nor either administering instead of the Cabinet. It is nothing of the kind. It is rather to have a good understanding, when the Cabinet moves in one direction, of the why's and wherefore's of the decision. To know whether it is a valid one, whether the Cabinet actually took the decision or whether it was made by bureaucrats, department officials. That is the question I would like to clarify, Mr. Speaker.

I have always thought, and I repeat this evening, Mr. Speaker, I have clearly the impression that it is neither the members of parliament nor the ministers who are in command in the House, but rather the bureaucrats outside of Parliament, people who are not elected and are not given a mandate by the population.

Mr. Speaker, I do not want democracy to be an empty word. I do not want it to be hypocrisy. I do not want Parliament to be only a show of democracy. I want us to take our responsibilities, and if we have to make unpopular decisions, I for my part am ready to take my responsibilities. This is the way I see it. I regret it when we are told suddenly that a decision has been made. I have all the good faith in the world and want the best interests of Canada, but by gosh I would like to be told more, so that we, Parliamentarians, could have our say about this matter.

We are asked to vote credits only. We are asked to tell Cabinet: Spend money. However, we are not invited to learn why this money must be spent, what it will give and if it will be profitable for Canada. These are the questions asked by the people we represent. They are entitled to ask these questions and they are entitled to an answer.

Mr. Speaker, I believe that the time has come in 1975 to have more cooperation between the ministers and the members of the House of Commons so that we may be truly aware of the direction we are taking, and whether it is good or bad, it is up to us to make the decision.

In the future I would like, and I am asking this with all due respect to all the members of the cabinet, that when such important decisions have to be made, we be given first the studies which have been made so that we might not be taken by surprise and be able to give a valuable opinion according to democracy, if we still believe in it.

● (1740)

[*English*]

Mr. Cafik: Mr. Speaker, I realize that the rules of the House are such that there is not an opportunity for other members to participate in replying to a statement on motions. However, it is also my understanding that with the unanimous consent of the House this would be possible. In light of the fact that my riding is the one most seriously affected by this decision, I would seek unanimous consent to make some comments at this time.

Mr. Speaker: The hon. member is, of course, proposing a procedure that is only possible with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: This is an opposition day.

Mr. Speaker: Order, please. There is not unanimous consent.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Speaker, when we made this agreement, I proposed that this could be followed by a question period till 6 p.m. I do not see why the hon. member concerned should not be allowed to speak till 6 p.m.

Mr. Speaker: This is not provided for the in the Standing Orders of the House. Without the unanimous consent of the House, it is absolutely impossible to have a question period. This is not provided for in the agreement set forth by the President of the Privy Council (Mr. Sharp).

Mr. Fortin: I am sure that you will get the unanimous consent if you ask for it again.

[*English*]

Mr. Speaker: Is the hon. member asking me to seek the unanimous consent of the House at this time to the suggestion that there should be a period of questioning of the minister? I am unable to seek the consent of the House without knowing specifically what the hon. member has in mind.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT SECRECY IN OPERATION OF CIDA—EFFECT ON EXTERNAL AID PROGRAM

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

That this House deplores the Government's secrecy in the operation of the Canadian International Development Agency which casts public doubt on the quality of management and effectiveness of Canada's international assistance program.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, it was perhaps painfully ironic that we interrupted a debate on the world food situation and international assistance by an announcement which, in the long run, will make unproductive a great deal of wonderful land in this country. I also wondered, having heard the announcement, if it was not ready at two o'clock today why it could not have waited until tomorrow. After listening more carefully I wondered why, even at two o'clock tomorrow, it would have been such a shatterer.

Today's debate is an interesting one, the kind we have all too infrequently. I commend the hon. member for Saint-Hyacinthe (Mr. Wagner) for his wonderful, cogent, thoughtful and penetrating statement. I enjoyed too the remarks of my old friend, the hon. member for Greenwood (Mr. Brewin), and I listened with fascination to the minister in his presentation.

The last time I had the great honour and the trepidation of following a minister in this House it was the Minister of National Health and Welfare (Mr. Lalonde). Little did I know what a challenge I was facing, because only a few days ago I found that, while it was the voice of Lalonde, it was the hand of someone else, a hand in which $1,950 was later put. I not only had to compose my speech but deliver it, and no $1,950 came my way. So apparently I am not much of a businessman. Time was when members were not allowed to read their own speeches let alone someone else's, but we have ghostly developments in this spirited place.

I was glad to find that the minister had not lost his great capacity for political debate. When it comes to spirited and energetic political tub thumping there is no one who is his superior. This was not the time for political expertise; this was a time for our leading internationalist to draw upon himself the mantle of statesmanship, and not for scoring debating points.

According to the minister the President of CIDA is another deputy minister among deputy ministers. "There's nobody here but us deputies." According to the minister, nothing is wrong with the great program, it is perfect all

across the world. According to the minister there is a steady flow of information, if only the dumb people over here were bright enough to put their cups under that spout of wisdom. We heard him on this subject, and how he chastised us for not being inquisitive enough. I noticed, however, that the weakest part of his argument was that part covered by my colleague when he referred to the correspondence between himself and the Minister of Finance (Mr. Turner). If they cannot find correspondence, I suggest that they have someone in their office look in the files for the period from October 15 to December 13 of 1974. I say to him that if he is so anxious to disseminate wisdom, so eager to spread the gospel of complete perfection in his department, he should present these letters for public scrutiny.

● (1750)

I say also that the minister and his colleagues had their opportunity to show their concern for public and parliamentary enlightenment when the Price Waterhouse report was before the committee. Was there at that time any desire to enlighten members? There was not, Sir; there was suppression, followed by a further flow of funds. What was it for? Presumably, we must wait till some consultant group will produce a report so palatable that it might be allowed to be seen by the public, and perhaps it too will have a glossy cover with a beautiful fisherwoman on it.

I say also that my colleagues have sought, time and time again, to have a specific reference made to the standing committee on the report of CIDA. The minister and his associates said no to that as well. There is no reason why the Standing Committee on External Affairs and National Defence could not undertake a thorough going examination of CIDA, not a limited examination which is cut-off by the guillotine of the estimates presentation. It could be done very simply by having the minister come in with the proper reference.

Some years ago when the former senator, the hon. Paul Martin, was minister, we had referred to the committee the annual report of the minister, and the committee under that reference was able to study in detail and at length these important matters. This is the way for the minister to get the information across to us.

I like the minister's debating style, but no peroration, however clever, can dissipate the clouds that surround the CIDA operation, can diminish the anxiety of the Canadian people that things are not going as well as they should. Has the minister told us why the phenomenal turnover in personnel has been taking place, why that very important division of government has become a regular personnel kaleidoscope? People are constantly spinning out of the department. That, sir, is very serious because, as every single speaker today has demonstrated, the people of Canada and the members of this House are proud of our role and are anxious to preserve our fine posture in the international field. But we want to be sure that every million that is spent, is spent wisely, efficiently and thoughtfully.

Some hon. Members: Hear, hear!

[Mr. Macquarrie.]

Mr. Macquarrie: As one of those who left CIDA said, "Better to spend half a billion dollars wisely than a billion dollars unwisely". There have been mistakes, and they may be more important than the development of a very smart electric slicer of ham in a country where religion forbids the eating of ham, or more important than the roads that did not lead anywhere. This government knows all about roads that do not go anywhere. I live in a province where we have two approaches leading out to open sea. The PEI causeway has been abandoned after an expenditure of $20 million, abandoned by the Prime Minister (Mr. Trudeau) at the very time when the members of the standing committee were down in the maritimes looking into its feasibility. So it is not only in the developing countries that we have roads that are abandoned and that do not really reach their destination.

What we have in mind, and what my distinguished colleague has in mind, is an invitation to the new minister, who is an excellent parliamentarian, to make it easier for all Canadians to be proud of what their government is doing in the troubled parts of the world. That is what we want.

I am not one of those who is at all reluctant to support aid to developing countries, and I come from a part of the land that has been long neglected. In fact we in the maritimes have been so long neglected that we are supposed to get used to it. In other parts of Canada if you treat them ill, they talk about separation or alienation. We are supposed only to say, "ho, hum" because it has always been that way. But I am not hesitant and never have been reluctant to speak strongly on behalf of external aid in the part of Canada which has been most neglected economically.

I am not deterred by those who say that charity begins at home and ask what is the use of helping these other people, because in my short life I have observed that those people who say that are usually not too charitable at home either, and they are not the kind of people from whom I take my signals.

It is not, as the minister mentioned, that we are objecting to sending rice seedlings to Bangladesh, that country that has gone through such travail and turmoil. Never was there a suggestion of that kind. We want the curtains of secrecy brushed aside. We want the light of day to enter into this very important department. We want to be assured, to be convinced, that all is going as well as is reasonably possible. We do not expect perfection. In fact there is far too much secrecy in this government.

I asked as long ago as April 8 last-year what military equipment we were sending to various parts of the world. Apparently we are selling so much of it all over the world that it takes nearly a year to get the figures totted up. So let us have an end to evasions and secrecy. Let us have openness, so that our external aid program, as we used to call it, may be one of the finest in the world, and one of which all of us can be proud.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I will preface my remarks by saying that I am one who always looks forward to the time when the Secretary of State for External Affairs (Mr. MacEachen) participates in a debate. I admire his courage, and certainly his performance in this House.

I must confess that today I was rather disappointed. I would have expected, at a time when within our global community hundreds of millions of people are either starving or suffering from malnutrition, that the Secretary of State for External Affairs would have forsaken his usual role in debate and evidenced some indication of understanding and compassion for these people in this global community. I would have expected that he would have forsaken the political gymnastics in favour of some compassion and concern.

In this debate on CIDA I intend to deal with two areas; first, in a general sense, CIDA's concept of itself; and second, in a more specific sense, with one role of CIDA in which I think there should be compassion and, possibly, re-direction. In connection with CIDA's own concept of itself, I examined with interest the messages of the president in the last four annual reviews of that agency. Going back to 1970-71 the president said, and I quote:

> I hope that CIDA during the next few years will gain a reputation for being not only sound and sensitive, but also for being innovative.

We move on one year later, and in 1971-72 the president indicated, and I quote:

> At CIDA we will continue to use these funds entrusted to us, carefully but with an openess to experimentation and innovation . . .

One year later there seemed to be some change in CIDA's concept when the president indicated, that now was the time, and I quote:

> . . . to develop a comprehensive strategy to give our efforts even great cohesiveness and vigour.

And finally, in the latest annual review for 1973-74, the president indicated that this was the year of, and I quote:

> . . . a testing time for CIDA.

He went on to say that it was likely time, and I quote:

> . . . to put emphasis on the sectors of assistance in which Canada excels . . .

If this year of 1973-74, the last year for which we have an annual review, was a testing period, the question obviously must be asked, "How has CIDA measured up to the test, and has it indeed passed its test?" I suggest that the answer, unfortunately, is that it has not passed the test.

All of us, and all Canadians are exposed to headlines, which really started in the latter part of last year, which cause Canadians grave concern about the efforts of this international agency. I read headlines such as: "CIDA in a Rush to Spend Millions", "CIDA: It's too set in its ways", "'Learning process' cost CIDA $4.4 million", "'Spend! Spend!' is foreign aid, agency's main emphasis", "At core of CIDA trouble lies development headaches", "CIDA: Is it a 'sick Joke'?". I have to ask myself, why these headlines? The only answer I have is to go back to the 1972-73 annual review when the president indicated that this was the year for a comprehensive strategy and firm guidelines.

In the year end speech of the president in 1973 entitled "Focus on Man", which is the annual message of the president of CIDA, he gave priority in section No. 1 to what was called the strategy for 1975 to 1980 taking shape, and indicated that it was a time to redefine the direction CIDA was to take. The speech continued by saying that:

> The shaping of the strategy for 1975-1980 should reach its peak during 1974 . . .

I ask where is the strategy, or is it abandoned, because indeed there is no sign of it, although in the Standing Committee on Miscellaneous Estimates on November 29, 1974, Mr. Gérin-Lajoie said:

> In addition, we are now only developing but coming to maturity with the proposed strategy for the years 1975-1980. I expect the document representing that CIDA proposal to be ready for our Minister within a matter of weeks or maybe days.

Again I ask, where is it, and again I ask, has it been abandoned? And finally I ask, where is CIDA now? The president in his last review says that he and the agency are in a testing period. I suggest to this House that the testing period is over, and indeed CIDA has not measured up to the test as we had hoped and, I am sure, as the minister had hoped.

In the Ottawa *Journal* of January 31, 1975, the last sentence of an editorial reads as follows:

> But it is precisely because Mr. MacEachen is responsible and because of his deep philosophical commitment to foreign aid that he should be taking vigorous steps to have the questions now clouding CIDA answered quickly and fully.

I suggest to the minister that this is a challenge facing him, and indeed all Canadians are looking forward to his response. There have been many suggestions in the press. One was that there was no hope for the reform of CIDA as it is currently constituted. Another was that CIDA must come under direct government control. Yet a third was that what is needed to maintain or restore confidence is a thorough investigation leading to recommendations and, if necessary, a shake up of administration. Unfortunately, other newspapers have been more pessimistic. The Ottawa *Journal* of January 27, 1975, says, "Some of those who know CIDA will believe that he"—meaning the Secretary of State for External Affairs—"will have great difficulty in bringing about meaningful change."

● (2010)

Referring specifically to CIDA's role, to what that role should be, and this is what we are examining, the Montreal *Gazette* of October 15, 1974, said in an editorial:

> . . . CIDA is developing a basic aid strategy which will place more concentration on food and agriculture.

I hasten to add that I support this thrust, just as I supported the Secretary of State for External Affairs in Rome at the International Food Conference. In my opinion, the most important sentence in his most impressive speech to the plenary session of that conference was the following:

> Canada emphatically supports the development of increased food production capacity by developing countries as the key to an anti-hungry strategy.

CIDA

On November 22, in the House of Commons, the Minister of Agriculture (Mr. Whelan) said much the same. He said that if a country's agriculture is not healthy you can be pretty sure that country is having other problems as well.

I ask, what has been CIDA's response, what is its key to an anti-hungry strategy? According to the last annual review having to do with multilateral disbursements, 1.8 per cent of total disbursements were for agricultural programs. In the more important area of bilateral disbursements it is impossible, from an examination of the annual review, to determine how much has been devoted to agricultural programs. However, according to recent articles in the Toronto *Star* and other newspapers—and these figures, so far as I know, have not been refuted by CIDA or any of its officials—only 3 per cent of total disbursements have been applied to agricultural development programs. Yet the Secretary of State for External Affairs in Rome said that these programs are the key to an anti-hungry strategy.

What was the result of the making of the pledge at that conference? First, so many ministers and officials had talked about a $50 million allocation that most Canadians must have assumed there were at least five or six such $50 million pledges. Second, it was finally determined that there was a $50 million re-allocation within CIDA's existing budget. That leads me to my next point. Third, what was the $50 million re-allocation for—what was its purpose?

In Rome—and I hope I am not doing an injustice to the minister—the Secretary of State for External Affairs implied, in my opinion, that the money was to be used for agricultural development. I thought that it would be made available for the purposes of the agricultural development fund, although in Rome, as I believe I can say in all fairness, we, as Canadians, did not support this fund.

The minister indicated in the House of Commons on November 14 that it was for the purposes of emergency relief. He said on December 2, in the House, that it was for a package of programs shortly to be announced. Then CIDA issued a press release, according to which the Secretary of State for External Affairs had said that the $50 million was to help relieve acute distress. But only five or six days before that statement had been made in the House of Commons, the Minister of Agriculture, on November 26, said at Belleville, Ontario:

> ... On top of this, we are doing something very important. We are helping people in developing countries learn how to feed themselves. That is the reason behind an additional $50 million grant that Canada is giving.

I suggest that was sheer flim-flam. I believe all members and all Canadians agree that we should continue in our humanitarian role, but we have lost sight of what the minister calls the key to an anti-hungry strategy.

Dr. W. S. Young, of the University of Guelph, has said, as reported in the *Beacon-Herald* of January 11, 1975:

> A sound agricultural industry in most countries is basic to economic and social development, but often industrialization has been emphasized at the expense of agriculture in the belief that this was the most important pathway to national development.

The minister accused us today of not reading CIDA publications. I received one today. It is CIDA's monthly publication "Contact". I looked through it to see if there was any emphasis on agricultural production in developing countries. There is one article on why Canadians should share their wealth, another article about a new resource centre being opened in British Columbia, an article about Ghana roads, and an article entitled, "Food shortage continues." Finally, let me refer to an article entitled, "Fertility study in rural Nigeria", which I was convinced had to do with agricultural development, but which I later discovered had to do with a fertility study involving women in rural Nigeria. There is absolutely no indication in this publication that CIDA has changed its emphasis or direction, or that it is concentrating on the key to an anti-hungry strategy as enunciated by the minister. There is no indication, from what the Secretary of State for External Affairs said today, that CIDA itself favours such change.

May I conclude by quoting the last paragraph of an editorial in the Winnipeg *Tribune* dated January 8, 1975:

> MPs should insist on a close scrutiny of Canada's program to determine what positive results it has had, and is having, in the short-range goals of relieving human suffering and the long-range goals of helping people in developing countries stand on their own feet. It would be tragic if the laudable desire to help the unfortunate was being channelled in ways that worsened rather than ameliorated the lot of the poor and afflicted in the countries Canadians are trying to aid. In fairness to the people in these countries and to the Canadians who have been generous in their willingness to help, a thorough-going review is in order.

[*Translation*]

Miss Monique Bégin (Saint-Michel): Mr. Speaker, I thought it rather ironical that the hon. member for Saint-Hyacinthe should have felt the need, to give himself some credibility, to use my recent speech in Montreal on the urgency of supporting greater Canadian assistance to the third world; rather ironical but not surprising. I ask him at once how many times has he had the courage to make a speech in favour of those who go hungry in the world, how many times has he done so in Quebec since he was elected under the banner of the Progressive Conservative party, how many times in Ontario or in western Canada? I would also like to know how many times, and where, he has committed himself, without double talk and unconditionally, in favour of those 72 per cent of the world population who survive on less than 25 per cent of all the wealth being developed in this same world?

● (2020)

For example, what amount of public funds is his party prepared to commit to try, barely try, to implement the resolution voted by the whole membership of the United Nations? Like me, he probably does not know the answer because I do not remember ever hearing that such a commitment was part of his party's platform.

So may I be permitted to add, Mr. Speaker, what he omitted to say from that speech I just made. I went on to say, and I quote:

> In fact, I think that when it resolutely committed itself to international co-operation, Canada set challenges for itself that it was perhaps unable to take on. Those challenges erred out of abundance of the heart rather than political bad faith or hypocrisy. I could not say the same of all countries. Canada wanted both to be efficient and innovative, balance its alliances with Commonwealth countries with those of the French-speaking, generous and careful Third World.

It wanted to make sure that our money or goods would go to those in need and not local, political or other go-betweens who would grow rich on our wheat instead of getting it directly to those starving in either Bangla Desh or Bengal. It wants to help nations obtain their self-determination in accordance with the United Nations 1960 resolution, but it wants to make sure that is done through humanitarian help, not military help. It wants to share with the poorest nations and it is driven to sign assistance protocols with political regimes that may be repugnant to Canadians. Those are a few of the paradoxes to be solved.

Of course, I was expressing there my personal perception of the views of Canadians up until now, first because of the letters I received from my constituents, and also the sittings of the Standing Committee on External Affairs. It is true that I have been in politics for only two years, but it seems shady and selfish to me to associate one's name with a motion such as the one the opposition introduced today against foreign aid, accusing the Canadian International Development Agency and the government of secretive behaviour. I have heard that to some everything is first and foremost politics, but I did not know that it could go that far.

I might add that we can wonder why the hon. member for Saint-Hyacinthe, a French-speaking member from Quebec, indulges in this precisely when the criticism of certain newspapers gave a racial and personal colour to the widespread questioning of the Canadian International Development Agency.

Mr. Wagner: Mr. Speaker, I raise the question of privilege.

The Acting Speaker (Mr. Penner): The hon. member for Saint-Hyacinthe raises the question of privilege.

Mr. Wagner: I raise this question of privilege because of what the hon. member for Saint-Michel (Miss Bégin) just said. I shall excuse on her part a certain enthusiasm and extravagance of speech. I shall even excuse her for accusing her colleagues of saying strange things. In such circumstances, we are sure that her words went beyond what she had in mind. But now that she takes the liberty of venturing entering on a much more slippery ground and that by innuendos she suggests that the opposition—where as the press can defend itself—engages in a battle on ethnic or racial grounds—

[*English*]

The Acting Speaker (Mr. Penner): Order, please. I regret to interrupt the hon. member again, but he knows from rulings that have clearly been made by the Speaker on a number of occasions that he is entering into debate. What the hon. member is saying does not properly constitute a question of privilege. Under the guise of a question of privilege it is not permissible for the House to allow the hon. member to continue.

Mr. Wagner: With great respect, Mr. Speaker, I would like to enunciate the question of privilege. To do so, I thought it would be fair and just to remind the Chair of the last words uttered by the hon. member for Saint-Michel (Miss Bégin). I now come to my question of privilege. If Your Honour will permit me, I will continue in French.

[*Translation*]

When the hon. member for Saint-Michel implies that it is because of racial prejudices on our part that we attack the president of CIDA, who happens to be a French-speaking Canadian from Quebec, I think such charges on her part indicate not only narrow-mindedness but an unhealthy feeling which unfortunately contributes to disunity in Canada.

Mr. Speaker, considering the circumstances, I deem it necessary to recall that we are not merely paying lip service to bilingualism in this country and that we are not paying lip service either to the need for equal chances for all groups. I would be grateful to government members not to make a pretext of such a justified debate as this one to accuse the opposition of racial prejudices, because in so doing they are guilty of something for which they blame others.

Miss Bégin: Mr. Speaker, I should like to keep on with my comments. I did not say what the member who just spoke said and I don't know what made him add those words, which he will surely not see in my speech in tomorrow's *Hansard*. That is not what I said.

I now continue. I was just saying that everybody acts according to a train of thoughts. I believe the hon. member has given proof of that. As for the substance of his motion, I believe one cannot understand that it can be a motion from a man who is supposed to have been a minister and who is today the opposition's critic as regards external affairs. As a parliament member I went to CIDA more than once without any problem. On occasion I asked for explanations and answers over the phone, without any problem at all. As a committee member, and without any supplementary staff such as the one he has, I believe on account to his duties, I receive a discouraging number of press releases, news bulletins and opinions.

Today for instance I received in my office Bulletin No. 37 of CIDA, titled Contact. As all other issues, this folder contains not only substantial extracts from various speeches, but it brings the usual news about the internal administration of the agency. It specially describes several bilateral projects to which we allocate two thirds of the agency's budget, if I remember well, or the most recent multilateral ones. I also receive Cooperation Canada, the news releases of the minister or the agency as soon as a project crystallizes, all documents and the regular letter from IDRC, the International Development Research Centre, those of SUCO, OXFAM, Youth Canada-World, the Institute for International Cooperation, to name only those, plus numerous briefs and letters from Canadians interested in that matter.

I give this long list because the motion reads as an accusation of deliberate or unconscious secrecy and I still do not understand.

● (2030)

I think I have a right to say that, because we have been sufficiently pestered in the committee with the so-called internal scandals of the Agency's administration, whereas I was expecting, I must say, some rather juicier bits than those coming from the hon. member for Saint-Hyacinthe.

On April 30th, 1974, at the meeting of the Standing committee of the House which was considering the Agency estimates, he could think of nothing better than talking in a most solemn tone about the staff turnover in

some branches of that Agency, about the low morale of other employees, and about an inquiry made into that by management experts working for a Canadian firm.

That would be most relevant in an analysis of employee behaviour, involving also the members of this House, in the month of February. Any Canadian personnel manager is aware of the psychological effects which the forthcoming end of the winter season has on people. That might actually explain the apparent "filibuster" with respect to bill C-49.

Mr. Wagner: Obviously, this is Women's year!

Miss Bégin: But being aware, like anybody else who has a fair knowledge of personnel administration, of the nature of staff turnover problems, I cannot see what is so awful with the rates compiled for the Agency as compared to the very same classes of employees in the Public Service.

If the hon. member were kind enough to listen to me, in a courteous way possibly, since he has discovered that this was international women's year, I think she who is trying to speak would greatly appreciate it.

The "separation" rate—this is the English term used in personnel analysis—for the employees in the group of civil servants which were supposed to be at the heart of the scandal involving the Agency is lower in this organization than it is for the same class of employees in the Public Service of Canada as a whole that is 5.6 and 7.9 percent respectively for the financial year 1973-74.

Where the class of administrative support is concerned, and that is the bulk of the employees in absolute figures, the Agency is slightly ahead, with a rate of 14.4 percent as opposed to 12.6 percent during the same year for the Public Service of Canada as a whole.

It is a well known fact that the occupational rate is much higher among employees at the lower end of the scale. I have worked in this area myself, and I can find nothing awful with those figures which in fact are averages for all kinds of businesses.

Let me add that I am not shocked if there is higher rate of turnover within the agency, and I am ready to assume that it is a sign of good health. People interested in international development programs are usually young people, and they may be best understood by those who remain young at heart.

When we check with people in the management of long term international assistance, we see that they go from one project to another and may be borrowed from the agency by other groups such as those I already mentioned, that is CUSO, OXFAM, Canada World Youth, to name but a few. At some point in their lives, after spending a limited number of years in this especially energy consuming area of youth endeavour, because it requires full participation in the task undertaken, they may leave this direct aid field for other connected areas of community or social work.

I conclude my remarks, Mr. Speaker. I note with sadness no attempt is made, in spite of numerous opportunities to come to grips with the most recent problems faced by an international development agency such as the one we are dealing with tonight, problems arising from changing governments in countries in which we are trying to contribute. I shall mention but one of those problems about which one hears a great deal as a delegate to the United Nations, for instance, or to any other similar international organization, and I am referring to the urgently needed transfer of technological knowledge.

I think if we only discussed that problem, or that of the actual results of our economic assistance in the way of meeting the new request from countries wishing to trade with us and to learn international trade, we would make a much more significant contribution to Canadian foreign aid.

[*English*]

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, there are two principal reasons why the Canadian international aid program must be thoroughly examined by parliament. The first is that the quality of the operation of the Canadian International Development Agency has been called into question, and the second is that world events demand a new approach by developed countries in which aid programs give way to structural reform of international aid and monetary systems. The motion we are debating tonight has been carefully framed to allow for positive debate in order to bring out the very serious aspects of this subject.

I listened very carefully to the minister's speech this afternoon, and found it lacking. I had hoped he would make a speech which would elevate and educate not only members of parliament but the public. Public opinion needs to be formed in this country to sustain an increased international assistance program not just in terms of dollars but in terms of commitments so that developing nations may enter more realistically into international trade and monetary arrangements. That was the message of the United Nations in the series of conferences it held during the past year.

The Secretary-General of the United Nations, Mr. Waldheim, has told us that the interlocking problems that have produced a global emergency are problems of food, population, mass poverty, depletion of energy and resources and capitalization. They are all linked, and demand a comprehensive and unified approach.

I had hoped that the minister would use this debate to bring before the House the plans of the Canadian government—even if they are not complete—for responding to this very critical moment in the history of the world. When he comes to write his memoirs I hope he does not bother to include the speech he made this afternoon. It was not one of his finer moments.

What the minister gave us was an exercise demonstrating a public put-down of an opposition which was not looking for an argument or a fight on CIDA, but for a chance to explore its development. Mr. Speaker, CIDA needs to be examined. The minister did not do us credit in dismissing the arguments so thoughtfully put forward by the hon. member for Saint-Hyacinthe (Mr. Wagner). He did not respond adequately. If he had wished to give us an opportunity to explore the need for an enlarged Canadian policy he could have agreed to have the annual report of CIDA referred to the Standing Committee on External Affairs and National Defence for study. That would have

given us a chance to help frame a decent Canadian policy which would respond to international conditions. That would have given us an opportunity—

Mr. Macdonald (Rosedale): Why not the estimates?

Mr. Roche: Mr. Speaker, I would be pleased to talk about the estimates. I have just read again the evidence presented last spring at the meetings of the Standing Committee on External Affairs and National Defence which examined CIDA when considering the estimates. A very strong representation was made that the Price, Waterhouse study of CIDA should come before the committee to be examined. Even if there were some chance of confidentiality being breached it could have still been presented to the steering committee for examination.

● (2040)

The president of CIDA—I use the term advisedly because that is how he likes to be known—did a wonderful skating exhibition in by-passing a definitive response to the committee, even though he had assured the committee that he would make the report available to us, and went and hid behind the coat tails of the then external affairs minister.

If the minister were really serious he would say: "Yes, let us look at this Price, Waterhouse study" because, I suggest, it shows the management of CIDA has been lacking the best kind of operation that the minister has been saying he wants to have. If he refuses to let us have the Price, Waterhouse study, refuses to refer the CIDA report to the committee, if he comes to the House, as he did this afternoon, and gives us a political response when what we are looking for is leadership, then I say he only invites the kind of speech that we have unfortunately just heard from the hon. member for Saint-Michel (Miss Bégin). She took her lead from the minister and produced, I say very regretfully to her, a slurring speech not only on the opposition but on the whole idea of an examination.

We must get rid of the idea that when we call for an examination of something in this place we are attacking it. I say very clearly that I am not attacking CIDA; I am a defender of CIDA, and that is precisely why I want all the facts. I get mail, as do a lot of my colleagues, from people around the country who look at newspaper stories and hear what is going on in CIDA—staff turnover, things happening and so on. They ask me why we are contributing more money to CIDA: They do not even know yet that the amount is up to $933 million; it will take them a week or two to find that out. That is almost $1 billion, more than all but two departments of government. As soon as they discover this, I figure the mail will increase all the more.

I am trying to respond to these people as a member of parliament by saying that the money is being well spent, that it is going to places where we are achieving humanitarian benefit, that it is responding to the injustices that have so dominated international relationships for so long. But when I try to tell my constituents that the money is being well spent, the minister does not even allow me to have any decent factual material. All he wants to give me is high class, high gloss, very expensive public relations material that his department so assiduously turns out.

I say that is not good enough when you are talking about an agency with a budget of almost $1 billion. I only hope that during this debate we might be able to throw a little public light on the need for an examination of CIDA, even though it is apparent that when this debate ends tonight we will not be much further ahead than we were when it started, precisely because the minister chose to give us a political speech rather than the statesmanlike speech that we had every right to deserve from the external affairs minister of this country.

Mr. MacEachen: Why not show a little leadership yourself instead of that carping approach?

Mr. Roche: Mr. Speaker, my approach is not carping at all. I want to get behind the management of CIDA with all the support I can muster. I ask in return only for a share of some of the facts concerning how CIDA is presently being operated. I ask him to share with us the opportunity of planning the kind of response that is needed to meet the new conditions facing this world.

Those new conditions are graphically illustrated by the escalation of oil prices which have quadrupled during the year 1974, and which have more than wiped out all the foreign aid that the developing countries had been receiving. That simple fact alone illustrates why it is so necessary to move away from reliance on foreign aid as an expression of international assistance and toward what the United Nations has been proclaiming in its New International Economic Order, in the COCOYOC declaration, in the Charter of Economic Rights and Duties of States. Those are three documents which came into being in the year 1974.

I look to the minister to come into this House and to explain to hon. members and to the Canadian people what this New International Economic Order is all about. It is not just a piece of paper, a mirage, a dream; it is a formal document passed by the sixth special session of the United Nations general assembly, backed up by the regular assembly last year with the passage of the Charter of Economic Rights and Duties of States.

I ask the minister to explain to us what needs to be done in order to implement that charter on the part of the developed countries. For surely it is the developed countries that must respond to the pressure being put upon international bodies today by the group of 77, now expanded to larger numbers but consisting mainly of countries of the developing world which have been most seriously and adversely hit by the kind of explosion that has taken place in international finance.

Time is running out on a speech in which I have so many more things I wanted to say in order to try to open up this debate and to open up parliament toward a new direction for Canada in international assistance, one where we can probably do more by spending less money. We do not need to spend $933 million by way of direct assistance, which will itself be wiped out by the kind of international trade and monetary arrangements which have such a deleterious effect upon developing countries. That is the principal point that needs to be expanded upon both in parliament and in this country.

The United Nations is engaged in a long process of solidifying a new international partnership for develop-

ment. But it is itself under attack from the developed countries because the developing nations, constituting a majority, are flexing their muscles over such issues as access to their natural resources, the rights of foreign investors, aid and trade, inflation and monetary matters. Canada's voice and vote are needed in support of the U.N.'s programs for rapid economic and social development. I want Canada to move into what is now a leadership vacuum at the U.N.

We can do that by starting to shift right away from placing so much reliance on bilateral and multilateral aid in our CIDA budget. Bilateral aid now occupies 60 per cent of the budget; and 80 per cent of that has to be spent in Canada itself. I suggest as an expression of foreign aid it is a fraudulent one, with so much money tied up and being spent in Canada.

I want CIDA, as we start to move outwards, to give more attention to non-government organizations in this country, principally the Canadian Council for International Co-operation, which is an umbrella group bringing together 100 non-governmental organizations. These non-governmental groups are helping to educate Canadians. Their educational programs for development are themselves helping to change public opinion in this country, yet they find themselves short changed. CIDA is so badly managed that it does not even pay its bills promptly to the Canadian Council for International Co-operation, which puts that body, a non-governmental organization dependent on CIDA for its existence, in a bind. That is a very small amount of money relative to the huge amount that CIDA has. That is an example of the kind of management I am talking about.

Finally, I want to support what was said earlier about having CIDA made responsible to parliament by creating an associate minister to the minister of external affairs. It is abundantly clear to me that the minister has so many things to occupy himself in his portfolio that we should take the lead from other countries in the developed world which have given ministerial status to international assistance programs. I say that because CIDA would then be directly responsible to parliament, and the minister would have an opportunity of producing a comprehensive policy that would embrace all of our policies relating to trade, international finance, the United Nations and development aid. Then we would see CIDA in its rightful place in respect of providing international assistance through one component. I think this agency should come within the responsibility of one minister.

● (2050)

I should like to know when we get to the committee why we are spending $23 million on administration alone. If we had one minister responsible for international assistance, bringing all these aid programs together, we would be making a tremendous advance. If that is the result of this debate we are having tonight, then this debate will have proven eminently worthwhile.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I should like to refer to the remarks of the last speaker, the hon. member for Edmonton-Strathcona (Mr. Roche), who was very displeased with the speech of the minister this afternoon. I can certainly understand why he is dis-

[Mr. Roche.]

pleased, because in my opinion the minister completely tore apart every criticism of opposition members, threw them in the waste paper basket, and caused a great deal of embarrassment to certain hon. members. I can understand why the opposition is unhappy with the points he made, because he showed up their criticisms for exactly what they are, half-baked and half thought-out, just as is this motion which should not have been brought on in the first place.

Some hon. Members: Hear, hear!

Mr. Anderson: When I hear the suggestion of secrecy I am reminded of two fellows who were flying over Canada taking pictures of important installations, and one chap turned to the other and asked, "What will we do with the rest of the film?" When I hear the reference to secrecy I think perhaps we should start a new branch of secrecy in the Department of Agriculture, and call it Gene Whelan's closet. Perhaps we should have a department of secrecy in CIDA. This whole matter brings to my mind the cloak and dagger.

We are talking about an agency which is accused of operating behind closed doors. When a government agency that operates as a department of the government of Canada, that is subject to the same public and parliamentary scrutiny as other departments, is described as a secret operation then that is far from the truth. I think hon. members opposite would have been much better off had they discussed the operations of the agency rather than discuss how we hide things from the opposition.

CIDA was established in 1968, by government order in council, to administer the international development assistance program. Its chief officer has the status of a deputy minister who reports directly to the Secretary of State for External Affairs, who in turn is responsible for the activities of CIDA. In other words, this is not some clandestine operation operating behind closed doors with dim lights.

This agency is responsible to the Secretary of State for External Affairs (Mr. MacEachen), who sits in this House and is open to questioning about his department at any time during the question period. He is also subject to written questions. The funds for CIDA are voted by parliament each year after the estimates are considered by the Standing Committee on External Affairs and National Defence. I suggest we have an operation in respect of which questions can be asked not only of the minister but of the director of CIDA, both of whom must respond in committee. Surely this is not a secret situation when the committee has the minister and the director available to it.

Prior to being presented to parliament the estimates of CIDA are approved by the cabinet, acting on the advice of the Secretary of State for External Affairs, who in turn is advised by the president of CIDA, who in turn consults with the minister on significant matters of policy regarding the Canadian International Development Association. On the board of that association we have a deputy minister of the Department of Finance, a deputy minister of External Affairs, a deputy minister of Industry, Trade and Commerce, the Secretary of the Treasury Board, as well as the Governor of the Bank of Canada and the President of the International Development Research Service.

An hon. member on the government side faces a difficult situation in following the minister because the minister has covered all these points thoroughly. However, I think I should like to buttress what has been said to make sure there is no question about secrecy on the part of this organization.

This agency publishes an annual review of its operations, and we also have the annual presentation of the development assistance committee. In this committee Canada's aid performance is examined fully by fellow donors. Moreover, the president of CIDA has been a prolific speaker on public platforms, both in Canada and abroad. The extent of criticism by hon. members, and other comments about the aid program in recent weeks, is an indication of the extent to which this agency operates in secret. Obviously hon. members have been commenting about statements already made by CIDA. I suggest that when such statements are made in public the operations cannot be considered secret.

On several occasions recently I have noticed members of the opposition using newspapers as their sources of reference. I believe they are treading on very dangerous ground, because I know of no newspaper that ever intended or claimed to be so factual you could use it as a reference in this House of Commons.

For example, on a visit to Cuba in 1974, where Canada allegedly signed a secret agreement—or according to one press critic this was a secret agreement—Mr. Gérin-Lajoie was accompanied by three journalists and a film team who covered every detail of this official visit. Many press reports have been quoted in this House regarding the secrecy of this CIDA group, yet the group included on its visit members of the press as well as a film crew. If this is supposed to be a secret organization I am afraid it is not fulfilling its function. Anyone who suggests that CIDA is operating in secrecy had better check his facts rather than using the newspapers to support arguments, to the extent hon. members have done up to date.

In the past three years CIDA has held two major international consultations, bringing together representatives from developing countries, and again these meetings have been covered by the press. If the organization is supposed to be operating in secret it had better change its ways, because it is not being very secretive.

As stated by the president of CIDA following one such meeting, the goal was to ensure that CIDA is listening to those with whom we have programs of development cooperation. Following such a consultation in October, 1972, a comprehensive review of CIDA's development assistance program and policies was undertaken. This is an organization which has gone to the trouble of printing the facts in respect of these meetings and presenting annual reviews of the year's business, showing how it spends its money, where it spends it, and who are the recipients. I am afraid that the word secrecy certainly does not apply to this group.

● (2100)

I really think that if we had taken this day to discuss where CIDA is going, where Canada's foreign policy is going, should we be sharing natural resources with the developing countries instead of giving food or technical assistance, and should we, perhaps, extend it to such products as oil for which many countries, especially the developing countries, are finding it difficult to pay due to inflated prices, surely these would have been more worthwhile topics than discussing an agency about which information is as accessible as that on any government department such as the Department of Agriculture or the Department of Finance, and which, as hon. members know, is directly answerable to the House. If it were not directly responsible to this House all hell would break loose, instead of which we only hear a few pleas from the opposition members for more information.

In all seriousness, I find that one of the hazards of my job is sorting through all the publications which I get from the government departments. I have found that on many occasions when I have requested information from any government group, I have received it promptly. I have not met with information being withheld from me and, as I said, I receive regularly bulletins, newsletters and reviews from CIDA.

Mr. Brewin: Have you never had any adverse report of any sort, not a single one?

Mr. Anderson: We are sometimes overwhelmed by the information coming from these agencies.

An hon. Member: Naive.

Mr. Anderson: I believe that the question of secrecy, although a very interesting one, is perhaps not worth the amount of time spent on it today.

I also suggest that if the members of the opposition are interested in this subject, we should decide some day in what direction CIDA should be going and what form this direction should be taking. I am glad to see members of the opposition agree, because this is how we should do it.

An hon. Member: Why not do it today?

Mr. Anderson: I support the statements made by the minister. I support the position of this government agency the same as that of other agencies, and I am very happy to hear the assurances of some members of the opposition that we will debate this issue. We all realize the importance of this program and that our contribution as Canadians is to aid other countries to a great degree. I think we are all in the mood to share some of our wealth with those less fortunate than ourselves.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I declare at the very outset as did those who have preceded me my full support of the objective of foreign aid. The minister need have no fear on that score. From this side of the House, indeed from members on all sides of the House he has had ample testimony of that already. We all here in the House feel that Canada is ready and willing to share its good fortune with the rest of the world which is not so fortunate. However, we want to be sure, and Canadians generally want to be sure, and we want to be able to assure them, that their tax dollar is going for good work, wherever it goes.

As to the matter of secrecy—I see the previous speaker, the hon. member for Comox-Alberni (Mr. Anderson) has

disappeared with some secrecy—we were not talking about the secrecy in CIDA. We were talking about the secrecy with which the government refuses to allow us to talk about CIDA. The hon. member wants to talk about CIDA and I want to talk about CIDA this evening and, given the chance, I am going to do that. But first I would like to penetrate the aura of obfuscation created by the minister by the judicious application of the laser of scrupulous candor. How is that?

Some hon. Members: Oh, oh!

Mr. Munro (Esquimalt-Saanich): Towards the conclusion of his remarks the minister spoke about the cadastral project in Morocco. He said it was announced in 1968 or 1969. That is not the argument. What is at issue is the announcement that the project did take place and, if possible, I would like the minister to be good enough to table the announcement concerning the commencement of that project. After he has a few days to work it out perhaps he would be good enough also to report on the original critical path drawn up for that project and the present position of the project on that path as of today.

Would he also table at the same time—he said we all had it, but I do not think that I was in the House at the time—the announcement of the national library on the Ivory Coast? The question was raised this afternoon. Let us have it tabled so that this information can be appended to this debate.

He said that no aircraft were delivered to Indonesia, yet the embassy here says there were 11 to 12 STOL aircraft presented to MNA.

Mr. MacEachen: That is not what I said. I said private support, private aircraft.

Mr. Munro (Esquimalt-Saanich): The embassy also confirms that MNA is a private company, and that thanks to this gift from CIDA it will be in an economic position to carry out its operations within five years. Is this the criterion of hunger of which the minister spoke?

With respect to Cuba the minister spoke about polygraphs, but they were for cows. Are the cows supposed to record the fact that they are giving a false story on the milk they are giving? Please, let us come off that.

And then there is this Turner-MacEachen difference that was referred to—

Some hon. Members: Order!

Mr. Munro (Esquimalt-Saanich): I mean the difference between the two ministers. He cannot deny the existence of the two letters so he skated around that, and he would let us know that the whole thing was in draft only. With all the other obscurities and the whitewashing in the minister's speech I find it difficult to believe that the differences do not exist. That is the fact of the matter as I see it. I invite the minister to table the exchanges, along with the other information for which I asked him.

The intention of the opposition members in proposing this motion was to begin a study of CIDA, not to engage in an exchange of abuse from one side of the chamber to the other. I have just indulged in a little bit of it because I felt that some retaliation was required. But CIDA is not as pure as the driven snow—it has some snags in its administration and in its priorities and projects. Let us not go away from this debate with any other thought in our mind. CIDA is not holier than thou, it is not above examination, and that is all we ask to do.

Why is there secrecy about the operations of CIDA, secrecy, I would remind the House, that did not exist in 1969 and 1970 when the Standing Committee on External Affairs and National Defence—and many members present here in the House today took part in it—took part in the examination of CIDA, in an in-depth study, and came forward with a number of recommendations? One of the recommendations was mentioned a few minutes ago by the hon. member for Edmonton-Strathcona (Mr. Roche), namely, that a minister of state subordinate to the Secretary of State for External Affairs and without a seat in the cabinet might strengthen CIDA's voice at the political level in Canada and abroad. I agree with that.

● (2110)

Why are we being prevented today from looking into CIDA and testing its present performance against the study made in 1970 and the recommendations made at that time? We have been told that there were insufficient questions asked in the House to warrant a reference of the report to the standing committee. I consider that a very lame excuse.

Coming back to some of the whitewashing of CIDA—and I am sure the minister cannot possibly believe that it is free from all taint or all fault—

An hon. Member: It is human.

Mr. Munro (Esquimalt-Saanich): It is human, exactly, and let us not make it a secret. Let us examine where it is. We all want to help, and with your permission, Mr. Speaker, and that of the House, I would like to mention just a few of the faults I have found in CIDA as a result of my experience in a number of countries—and it happened in practically every country in which I have served since about 1965.

For example, we heard from the hon. member of the Creditiste party complaints about the technical assistants in Laos. My first experience with CIDA was that they were sending technical assistants to Laos, and when they arrived there they were badly briefed, they had no housing, they had been given promises of assistance which we could not fulfill at the mission, and they spent a great deal of time coming to us to have us sort out their problems for them. These things happen. The minister should be aware of this. Let him not be misled by his advisers in CIDA that everything is rolling smoothly. It is not rolling smoothly, but we want to make sure that it does.

In central America I will point out a fault in co-ordination. My next experience was the opening of a port in Acajutla in El Salvador which had been built with the assistance of Canadian foreign aid funds, and the ambassador of Canada in El Salvador had not been asked to the reception at the opening. Why should that have been? It was simply a little gaffe by someone who had not been aware that there was an ambassador in El Salvador. Per-

haps it was my fault for not making myself a little more prominent at the time.

Another problem arose in Honduras. There is an agricultural college in Honduras—and I will come back to the reference to agriculture and the need for developing agriculture, which was put forward by the hon. member for Perth-Wilmot (Mr. Jarvis)—and here was on stream a magnificent school of agriculture bringing students from all over Central America for two and three year courses to train them there in the fundamentals of agriculture—how to grow vegetables, how to market them, how to care for them, and how to care for the soil. This is what is known as third country training in CIDA terms.

I do not know how many letters I wrote about this particular operation. It would cost $750 to bring one student from practically anywhere in Central America to that school in Zamorano, in Honduras. I received a nil reply in that regard. I hope to have a chance to come back to third country training, but I think that it is one of the most important forms of training CIDA can give because it does not deprive the student of his culture. It keeps him in the general area to which he is accustomed. He is living at all times with people with whom he can speak and communicate. He is learning things he can readily take back to his home land, but I received no response on that.

In Panama there is an institute of community co-operation operated by a Canadian priest, Father Steele. It had been operating for ten years without any assistance. CIDA was there and Padre Steele would ask me on more than one occasion whether there was any possibility of my persuading CIDA to get two or three students to this institute so that he could train them and send them back into the country from which they came to develop community ideas. All the courses were in Spanish; there were no problems of language. But do you think I could get anything from CIDA—again a matter of third country training? Not at all.

I think the most unfortunate experience I had with CIDA mismanagement is well recorded in some letters which are on file. I do not think I am breaking any trust in telling the story. I was refused permission as ambassador to Nicaragua to visit an area where there was the prospect of a port being built. I was told not to go there because it might indicate that Canada was much too interested in helping finance that port. I had other arrangements to visit Canadian communities in the area which I had to cancel.

Within two weeks of that refusal a junior officer from CIDA was sent to that area. He did not even bother to visit the port but approved the participation of Canada in the building of it, went home, and did not even tell the ambassador from Canada to Nicaragua that he had done so. I found out months later that this had been done because I went to see some of the officials in the Nicaraguan government, and they said that Canada had been so helpful to them. I asked them to tell me about it because I did not know that. A junior officer in CIDA had come and negotiated and concluded an agreement concerning a port which the ambassador was not allowed to even look at!

These are the things we want to bring to the fore. These are problems which arise in all countries. There was another one in Costa Rica. There was a course in university administration which had been started and stumbled somewhat. When the negotiators came down to conclude the agreement, I had been given no briefing. I almost was not invited to the meeting, but I arranged to be there, and I was expected to expound on the benefits of this particular course. I did not even know there was a plan.

The lack of co-ordination between the Department of External Affairs and CIDA is appalling, and it is time the minister knew it.

Some hon. Members: Hear, hear!

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

Mr. Munro (Esquimalt-Saanich): I would like to—

The Acting Speaker (Mrs. Morin): The hon. member for Cape Breton-East Richmond (Mr. Hogan).

Mr. Andy Hogan (Cape Breton-East Richmond): Madam Speaker, I think most of us can agree that the Canadian International Development Agency needs to be more responsive to the requests for less secrecy, despite the plea of the hon. member for Comox-Alberni (Mr. Anderson), and more open about its policies, programs and goals. I think an admirable suggestion has been made by my colleague, the hon. member for Greenwood (Mr. Brewin), that a separate ministry be established for overseas development.

In the debate of November 15 on the world food crisis we mentioned that Canada, as with the United States, had not achieved its promised goal of supplying the least developed countries with even 1 per cent of its GNP. This is very disturbing to many of us, but we do not want to see Canada fulfilling that goal for its own sake but rather as a means of being helpful in the short and long run development of these countries. In this connection we want to ask: Is it true, as some commentators have recently suggested, that CIDA is rushing to spend $117 million within the next three months in an effort to impress Treasury Board officials?

● (2120)

We are all acquainted with the notion that if we do not spend what we have been allocated, they, the institution granting the money—in this case the Treasury Board—might reduce the allotment for the next year. I repeat, can this be true? In view of the fact that CIDA has now had some six years of experience, and given the incredible short run need for food aid and the long-term need for development of the 32 most needy countries, surely this cannot be true. Surely it is a false accusation that the chief emphasis of CIDA is placed on producing figures to support the impression that Canada is in the vanguard of nation providing development assistance.

Surely, Madam Speaker, it is false to say that in CIDA, a major criterion of success is not how well you spend the money but how much of the money you have been allocated in the budget you spend, and that you spend your allocated money, come hell or high water.

We know that at a time of world-wide inflation and structural changes in international economies, and of

uncertainties in international monetary relations, CIDA faces great difficulties in adjusting and, indeed, changing its programs, projects and objectives in the foreign aid and development field.

We should not be surprised that such a complex job should carry with it internal administrative strain and personal unrest. These are all additional reasons, Madam Speaker, for an open and frank re-appraisal of CIDA by parliament. The government should not be afraid to show CIDA's warts, because such a re-appraisal will be a condition for a renewed international aid and development effort on our part as we enter the second half of the 1970s. A renewed, re-invigorated CIDA will allow us to meet the new and severe challenges of the 1980s in the international development field. According to most experts these new challenges will be much more severe than those we face in the 1970s. We will be facing a situation in which not only aid and trade problems vis-à-vis the least developed countries will still be with us; we shall also face a situation in which we, in the very well-off countries, must balance our attempts to overcome our wasteful habits by conserving energy, food and raw materials, with commitments by the poorer countries to change some of the worst features of their agricultural, demographic and environmental practices.

In the longer run, requirements for development in the least developed countries will mean that CIDA and similar agencies in other countries will have to play a greater role in giving such countries access to our markets at stable and remunerative prices. Likewise, they will need much greater access to our technology, management skills and investment capital. But the major goal for them has to be to learn by doing, because imitating and borrowing would satisfy neither their material needs nor their higher needs for greater control of their economic and cultural destinies. Hopefully on this matter CIDA officials will impress on them all that they should not follow our own historical development path as a model.

There are still and will be in the short run very pressing needs for customary food and other forms of aid. I might add that I disagree slightly with the hon. member for Edmonton-Strathcona (Mr. Roche) on this issue, although I agree with almost everything he said this evening. There is a tendency today to dismiss this aid as being a failure, without attempting any serious analysis. Nevertheless, I still suggest that such aid is still very necessary for the development of these poor countries.

We mentioned in the November 15 debate that if hundreds of thousands of people are not to die during the next decade, mechanisms must be developed in order to plan food supplies on a world basis. The United States and Canada must lead the way. The money costs will be enormous and will have to be shared. But, Madam Speaker, that is the challenge we dare not fail to accept. At times it seems to be most forbidding; yet only if it is met will we have time to make realties of our longer run hopes for population control and new agricultural developments in poorer countries.

Some think it is already too late, that mass starvation cannot be avoided. That may be so, but it is necessary, in any event, to try. After World War I, in a disrupted Europe, John Maynard Keynes wrote poignant words which are well worth remembering. He said:

> Men will not always die quietly. For starvation, which brings to some lethargy and a helpless despair, drives other temperaments to the nervous instability of hysteria . . . These in their distress may overturn the remnants of organization, and submerge civilization itself in their attempts to satisfy desperately the overwhelming needs of the individual. This is the danger against which all our resources and courage and idealism must now co-operate.

As we are discussing the immediate plight of some of the poorest countries, will the Secretary of State for External Affairs (Mr. MacEachen) say what CIDA's present role is in the Sahalian zone of West Africa, where there are some 25 million hungry people? Will we supply fertilizer to Bangladesh during the coming year or, more generally, are there such commitments in the form of loans or grants for fertilizer for that desparate country?

I urge the government, Madam Speaker, to make CIDA's internal and external problems better known to members of parliament who represent the Canadian people, so that we can help in making CIDA a better institution, one of which we can be even more proud in future.

[*Translation*]

Mr. Louis Duclos (Montmorency): Madam Chairman, when I heard that the opposition had decided to devote one of the alloted days to the discussion of the problems of international cooperation and the role of Canada in that field, on the one hand, I was happy because it seemed to me that it was the very occasion to make Canadians aware of the importance of those questions, which, as we know, draw more and more attention. We become more aware of the global aspect of the world community. We realize that during the last twelve months, the whole world has changed so that a problem existing on a continent which could have seemed very far from us a few years ago, has implications in the daily life of those we represent here as members of Parliament. On one hand, I was very glad, but on the other hand, I felt some apprehension because the opposition wanted to devote one of the days they are entitled to the discussion of a question of their choice, and I thought: they must certainly have terrific arguments; they are surely going to bring astounding accusations which will put our government on the spot.

● (2130)

We have been debating this matter for a few hours. In some cases, the debate was more or less acrimonious. Still we have been discussing this matter for some hours. I listened carefully to all the speakers, to the hon. member for Saint-Hyacinthe (Mr. Wagner) and to the others.

An hon. Member: Who?

Mr. Duclos: The hon. member for Saint-Hyacinthe. He is entitled to that title. I respect him.

I listened to him carefully and, finally, I realize that as in all the debates we have in this House, the opposition unfortunately did not play the important part it should play in a democracy. The role of the opposition is to give positive criticism. The opposition may occasionally make interesting suggestions which enable the government to run the nation's business more efficiently in a country like Canada.

I listened to them carefully and I must say that in some cases some interesting ideas have been expressed. I will come back to them. But it seems to me that, in most cases, we could call it a torrent of words in a desert of ideas. Unfortunately that is what we have heard since the beginning of the debate.

A suggestion which has some merit and is worth looping into is that CIDA should be put under the direct control of cabinet minister. Of course, in view of the growing importance of international cooperation and since it is a matter of increasing concern across Canada, this suggestion has certainly some merit. It should, however, be said that while in the past war was the extension of the foreign policy of countries—unfortunately this still rings true for some countries—but for us Canadians it is international cooperation which constitutes the extension of our foreign policy. Accordingly, I find it reasonable, normal and natural that the international cooperation programs launched by the Canadian government be the responsibility of the Secretary of State for External Affairs (Mr. MacEachen).

In fact, I believe that this has enormous advantages even from a functional viewpoint. I have had the opportunity to live more or less with these matters, and I know that there is some kind of osmosis between the department and CIDA, which means that as concerns personnel, for instance, external affairs employees are often transferred to CIDA and vice versa.

While I am on this subject, I would like to take a few moments to speak of this alleged very great turnover within CIDA personnel. I have here some figures which show that, in fact, the rate of personnel turnover at CIDA is lower than the average rate throughout the entire Canadian public service. For instance, the figures for people who left CIDA show that in 1974-75, 3 per cent of the executives and 4.9 per cent of the support employees left the agency.

On the other hand, people left CIDA for other departments. I would like to say something about this, but I will simply give the figures, which are 3.5 per cent for the executives and 3.1 per cent of the personnel who brings the required support to the operation of the Canadian International Development Agency.

In my opinion, it is impossible to make a judgment on personnel turnover in an organization like CIDA in the same way as in another government department, quite simply because CIDA employees work in extremely different and extremely difficult conditions. There is much travel, the employees must live in foreign countries, there are adaptation problems, and in my opinion it is normal that some of the employees must eventually give up their jobs.

Madam Speaker, I would like to say a word about the accusations concerning the allegedly secretive operation of the Canadian International Development Agency. As the Secretary of State for External Affairs (Mr. MacEachen) pointed out this afternoon, it seems to me the opposition has every opportunity, every chance to ask all their relevant questions, first when the estimates of that agency are considered, second when the public accounts committee meets.

On the other hand, it is common knowledge that the president of CIDA, Mr. Gérin-Lajoie, never hesitates to meet with journalists. Never does he shy from talking to people in the academic field or specialists in international matters. He is remarkably available. I would specifically like to pay tribute to Mr. Paul Gérin-Lajoie.

I remember the contribution that man made at the beginning of the silent revolution in Quebec, specially with respect to the reform of the education system in Quebec. If today we have a better educated youth in Quebec, a youth that can make an increasingly substantial contribution to the direction of this country, the direction of Quebec, I think we must pay tribute to Mr. Paul Gérin-Lajoie.

Madam speaker, I would not want the hon. member for Saint-Hyacinthe (Mr. Wagner) to feel he has to rise on a question of privilege. I think he did inadvertently. I also think there are unpleasant things to say but they must nevertheless be said. I think perhaps unintentionally he made himself an accomplice of that swarm of journalists, of those pontiffs of the press who in recent months, in recent weeks, had the gall to attack, not CIDA as such, because there was absolutely nothing one can find to prove that CIDA does not have a sound management under the leadership of Mr. Paul Gérin-Lajoie.

I think there is some disappointment in certain quarters to see francophones come to Ottawa and really carry out their responsibilities and not just be fronts.

There was also the case of the president of Air Canada who was criticized and viciously attacked. Why? Because a Francophone came forward, accepted a responsibility in a federal government agency and decided to assume his responsibilities seriously.

● (2140)

Some hon. Members: Shame!

Mr. Duclos: There you are. Madam Speaker—

Mr. Wagner: The ministers are not saying a word. They are still.

An hon. Member: Because the hon. member for Montmorency is trusted.

Mr. Duclos: Madam Speaker, I expressed some surprise a while ago when I spoke of prejudice. We are going to talk about that. I was surprised that some offence was taken at the fact that through the Canadian International Development Agency the Canadian government should have established ties with the Cuban government with regard to international co-operation.

Let no one make me say that I agree with the political regime in Cuba. Still, to my mind, the foreign policy of a country like Canada should strive towards drawing countries closer, uniting them, all the more so in the case of Cuba, since Canada has always insisted on maintaining trade relations with that country and since the loan granted to the Cuban government will affect the economic development in Canada, in that Canadian companies will give work to Canadian workers who will benefit from contracts representing the amount loaned to the Cuban government.

Madam Speaker, perhaps we should make efforts individually to see not so much each one of the trees but the whole forest. When an agency has a budget of more than $700 million, that will reach $900 million next year, it is obvious that some programs must inevitably have weaknesses and deficiencies. Those who lead that agency are men, only men—

An hon. Member: This is Women's Year!

Mr. Duclos: Man in the most general meaning of the term! Perhaps we should try to see in what context the International Development Agency must operate. There have been changes in the last 10 or 25 years. Today's world is even already different from what it was a mere twelve months ago. Changes have occurred in the world situation. The countries with which we have established international co-operation programs have seen their needs evolve, the Canadian people have expectations that vary with each group, they have expectations that are different according to the various groups they are made of. The government may also have various objectives.

The subject of changes in the world situation can be tackled from a more concrete point of view with examples such as the changes brought about by the oil crisis. We see for instance countries such as Algeria, Nigeria, Indonesia which, from underdeveloped countries that they were before oil got as important as it is now, have become less dependent upon international aid.

The Acting Speaker (Mrs. Morin): I am sorry to interrupt the hon. member but the time allotted to him has expired.

Mr. Eudore Allard (Rimouski): Madam Speaker, all Canadians are interested in the present debate. All across the country, people ask themselves if their tax money is spent rationally by the government and by CIDA. If there is an area where the taxpayers' money is spent in an unacceptable way, it is in the sector of foreign assistance.

That is why, Madam Speaker, I want to take part in this important debate which gives us the opportunity to show to the Canadian people the unbelievable waste that is made of the taxpayers' money in the area of foreign assistance.

We, of the Social Credit Party, are not opposed to the principle of assisting countries that need help. We believe that Canadians have a responsibility towards underdeveloped and underprivileged countries. For that reason, we advocate technical and material assistance to enable those countries to become self-sufficient as soon as possible. That is also why we, of the Social Credit, object to foreign aid programs which maintain those countries in their state of underdevelopment.

A careful study of the activities of CIDA shows that this agency, in addition to swallowing millions of dollars of the taxpayers' money, systematically supports assistance programs that are as costly as they are useless. We also see that the person who is mainly responsible for that situation is the present president of CIDA, Paul Gérin-Lajoie, former Quebec education minister and personal friend of the right hon. Prime Minister (Mr. Trudeau).

It would be impossible to enumerate in a whole book the examples of colossal blunders and indecent waste that must be put to CIDA's credit. Madam Speaker, I shall simply give a few particularly striking examples.

In 1974, Canada granted $5 million to Brazil through CIDA. I believe that country is rich enough to have its own foreign aid program. Indeed, it suggested Canada pay the $5 million to the Brazalian foreign aid program. Finally, Canada paid a total $84 million to Nigeria, Indonesia and Algeria, all oil rich countries. Cuba, in turn, the democratic "paradise", received a $10 million loan, without interest, for 50 years, at the moment sugar was bringing fantastic revenues.

Madam Speaker, in spite of Canadian experience and expertise in agricultural matters, and a desire on the part of underdeveloped countries to tap that experience, only 3 per cent of Canadian foreign aid, or $23 million on a total $349 million, involved technical assistance. This means a mere 3 per cent of Canadian assistance was spent on helping underdeveloped countries help themselves and become truly independent.

On humanitarian grounds, CIDA paid significant amounts to various terrorist groups that spent that money on bombs and arms needed to kill those who opposed revolutionary wars. For example, $100,000 went to terrorists in South Africa, to help them in their destructive work.

CIDA also supplied a number of countries with totally useless products. Magnificent fountains were built in front of buildings erected by CIDA in a certain African country. The only problem is in that country, water is so scarce it is more expensive than oil. It is not wasted in fountains. CIDA also spent thousands of dollars to buy outboard motors to be used on dugout canoes in Senegal.

No more examples are needed to convince any person of good will that something is wrong in CIDA. The fact is known that in two years, more than 300 CIDA employees resigned. This excessive figure shows even civil servants find CIDA is not performing normally.

If CIDA does not work properly, it is first and foremost because it is not controlled by the elected representatives of the people. Mr. Gérin-Lajoie did not have to be elected. Neither does he have to answer questions in the House of Commons as any minister does. Yet, only two other ministers have higher budgets to administer, namely the Minister of National Health and Welfare (Mr. Lalonde) and the Minister of National Defence (Mr. Richardson).

Madam Speaker, Canadians would perhaps have less cause to complain about CIDA if, instead of being headed by a friend of the Prime Minister, that agency was headed by a minister of the Crown answerable to this House.

I repeat what I said earlier: We, Social Crediters, are in favour of foreign aid. On the other hand, we refuse to accept the wasteful practices of CIDA under its president, Mr. Gérin-Lajoie.

We believe CIDA should be made into a department. Thus, we could, every day call to account the minister responsible for foreign aid. That is what we demand, Madam Speaker. If the government is logical, they will surely follow the suggestions made today by the opposition.

• (2150)

[*English*]

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Madam Speaker, in the time remaining I hope to be able to put forward a few points.

I congratulate the hon. member for Saint-Hyacinthe (Mr. Wagner) on his motion. First of all I should like to say that it is indicative of the state of affairs in our government today, and in the various departments, that we should choose this topic for an opposition day motion. It is appalling that we should have to debate in this House whether or not parliament has the right to examine the actions of the chief of a government agency. There has never been a time in the history of our country and of our parliament when this has been a matter of discussion.

Of course we have a right to question the activities of any and all government departments and agencies, and we have the right, indeed we have the duty, to question the actions and the conduct of any and all chiefs of departments and agencies. When you consider the fact that we are actually debating whether we have the right and the duty to examine the expenditure of hundreds of millions of dollars of taxpayers' money, then I have to ask whether or not someone has reversed the natural order of things.

Have we really reached the point where a chief of a department has the right to refuse to divulge information on his activities to the Canadian parliament? If that is what the president of CIDA thinks, and if that is what the Prime Minister (Mr. Trudeau) thinks, then all I can say is that those two gentlemen have a few things to learn about the Canadian system of parliamentary government.

This day of debate on the activities of the Canadian International Development Agency has not come a bit too soon. At a time when parliament is trying to find out why CIDA has to rush to get rid of almost $200 million before the end of the current fiscal year, the President of the Treasury Board (Mr. Chrétien) has announced that the CIDA giveaway budget is to be increased by $200 million in the coming fiscal year. Newspaper columnist Richard Gwynn asked the question, in his column of January 11 in the *Journal*: "Is CIDA a sick joke?" I think that we have the responsibility to determine whether or not CIDA is a sick joke before we approve such a massive increase in its budget. There are just too many indications that that is exactly what CIDA is, and there are indications that it is due to the actions of the boss of CIDA.

Our examination of CIDA must be extremely thorough, and it must have two primary objectives. We should find out exactly what is being done with the hundreds of millions of dollars that CIDA is giving away each year, and we should determine whether or not that money is accomplishing anything worth while. After all, this is tax money, money that has been grubbed from the Canadian taxpayers, and they have a right to know where it is being spent and whether or not they are getting full value.

Our second objective should be to determine the wisdom of keeping Paul Gérin-Lajoie, the former Liberal bagman, in the post of president of CIDA. Gérin-Lajoie has been running the agency with a free hand, making decisions that should be made by parliament and refusing to divulge even the most basic information about his activities; and the Prime Minister backs him in this.

Thanks to our press we have a picture of Mr. Gérin-Lajoie that makes him look more like an oriental potentate than a Canadian civil servant. He has little or no communication with anyone in CIDA outside his immediate associates in the upper echelons, and it has been said that some of the long time employees of the agency do not even know what their boss looks like. When he travels he has a larger entourage than a cabinet minister, and he seems to be able to travel wherever he likes, whenever he likes. There seem to be no checks whatever on his movements or of the money he spends on his travels.

His decision making powers appear to extend to every aspect of the agency's operations, and I commend my colleague, the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds), for bringing to light still another aspect of his dictatorial handling of the agency. The hon. member revealed that CIDA's Latin American section has been designated unilingual French, meaning that the working language of the section is French. The hon. member charged that this policy makes it impossible for businesses in his constituency in British Columbia to deal with the agency, as those business people do not speak French. It is time for us to take a serious look at government policies that have made second class citizens of the majority of Canadians, those of our citizens who speak only English. I do not think our people are going continue to take that nonsense much longer, especially with this agency CIDA.

I support the demands that have been made for a complete and full inquiry into the activities of CIDA and of its chief, and that inquiry should proceed without further delay. In the meantime Mr. Gérin-Lajoie should be removed from the top position in the agency and for the time being, at least, the deputy chief of the agency should be placed in charge of both policy and administration. That move alone would, I am sure, go a long way towards re-establishing credibility, efficiency and sanity to Canada's foreign aid program.

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

[*Translation*]

The Acting Speaker (Mrs. Morin): Does the House agree to call it ten o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): It being ten o'clock, it is my duty to inform the House that, pursuant to Standing Order 58(11), the proceedings on the motion have expired.

Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ADMINISTRATION OF JUSTICE—ENFORCEMENT OF MAINTENANCE ORDERS ISSUED BY FAMILY COURTS—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, this is the second time within a year that I have spoken on this subject, the enforcement of maintenance orders issued by family courts. In light of the fact that 75 per cent of all family maintenance orders made by Canadian family courts against deserting husbands are defaulted, and in light of the fact that these defaults cost Canadian taxpayers $365 million annually, this means that between January 1973 and today these defaults have cost Canadian taxpayers almost $1 billion.

As things now stand, a court order to a man for maintaining financially the family he has abandoned is often worth no more than the paper on which it is written. While the divorce law is federal, the laws that govern other aspects of marital break-up, maintenance, child support and property rights continue to vary as provincial responsibilities under the BNA Act. These responsibilities, though, are seldom enforced by the provincial courts; they leave that job to the deserted mother.

The federal government must act through whatever means possible to ensure that the job of tracking down deserting fathers is not left to deserted mothers. Presently a deserted mother not only has to track down her spouse but also has to keep returning to court for new maintenance orders if he defaults. As well, she has to hire a lawyer if he refuses to comply.

The Law Reform Commission has recommended that all matters of family law should be gathered together under one court. As the commission points out, it makes sense that the judge who grants a divorce should also deal with the division of marital property, child custody, access to the child by the parent who does not have custody, and the welfare and maintenance of the child. However, as was mentioned, the constitution presents a barrier for it splits responsibility for these matters between the federal and provincial governments and, therefore, the same case is handled by different judges in different courts. It seems obvious that the commission's recommendations should be adopted. I am hopeful that the federal-provincial discussions concerning the commission's recommendations will be a starting point for these much needed changes.

● (2200)

The Parliamentary Secretary to the Minister of Justice (Mr. Marceau) answered me last March 25 and stated:

> I note that my colleague has seen the conclusions of the Law Reform Commission working paper. I think we agree that the matter should be studied immediately, promptly and efficiently.

[The Acting Speaker (Mrs. Morin).]

I hope that is what the government has been doing in the past 11 months. The parliamentary secretary went on to state:

> The proposal advanced in the study paper, if endorsed by the Law Reform Commission, is one which might profitably be explored through the medium of the Conference of Uniformity Commissioners on Legislation in Canada which meets annually to examine ways and means of achieving uniformity in laws throughout the various jurisdictions.

I hope the hon. member can report on this conference tonight. He then went on to state:

> I can assure my hon. friend that this matter interests me personally, as well as the department which I am representing tonight because I admit that it is time to truly deal with these problems unrestricted by jurisdictions which are necessary, but must not have priority over the population and the serious and important problems that my hon. friend has described and that I promise to refer to the minister. I also promise to give them particular attention myself.

What we need to rectify this problem is a federal wives' and children's maintenance act. I hope the parliamentary secretary can give a report tonight on the action that has been taken by the government, and indicate when proper government legislation will be introduced to rectify this serious problem.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Madam Speaker, the matter of uniformly enforced legislation dealing with the reciprocity of enforcement of maintenance orders has been studied on several occasions by the conference of commissioners for a uniform legislation in Canada, since renamed the Conference for a uniform legislation in Canada.

The commissioners agreed to the last draft of that legislation in 1973. The matter of compulsory maintenance between husband and wife and between parents and children was on the order of the day of the 1974 Assembly. It was then decided to review that matter into greater detail during the 1975 meeting which will be held in Halifax, from August 18th to 22nd; the commissioners for British Columbia will then report progress on that matter.

The British Columbia Royal Commission on family law and children's protection is presently preparing reports and a bill dealing with alimonies and some other matters relating to family law. British Columbia also initiated in the Richmond-Surrey-Delta area a pilot project to test several recommendations dealing with that branch of law. The results of that double series of studies should enable the British Columbia commissioners to submit to the 1975 assembly proposals backed by practical experimentation of new solutions to family law problems.

Whatever the outcome of the studies, the enforcement of alimony and maintenance orders still remains a serious problem. Uniformly enforced legislation would certainly make the enforcement of those maintenance orders easier in the case of spouses who flee from one province to another but the main problem comes from those who, without stepping out of the courts' jurisdiction, deliberately omit payments. The beneficiary of the alimony engages into extremely costly procedures in order to try and have the order enforced himself or herself, and the spouse in default of alimony can frequently evade his or her responsibilities.

[*English*]

Mr. Paproski: Madam Speaker, I rise on a point of order.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Edmonton Centre (Mr. Paproski) knows there can be no point of order at this time.

Mr. Paproski: I just wish the hon. member would take it easy so the translator can catch up with him.

[*Translation*]

Mr. Marceau: The Law Commission of Canada says on page 54 of its working paper No. 1 entitled Family Court:

The Commission believes that, with its complementary services, a family court could and should play a more active part in the implementation of the orders it issues. Some measures could be quickly adopted in the Canadian provinces and territories without imposing too heavy a burden on the judicial and legal mechanisms or on existing welfare services. These measures would comprise the establishment of enforcement services within the family court.

The measures referred to by the Commission could be implemented by each province separately, without having to wait for the passing of standardization legislation. Some provinces, such as British Columbia, already mentioned, and Ontario have moved in this direction.

A pilot project on the automatic enforcement of maintenance orders, put into force during two years by the Peel family court, became in August 1973 a permanent program that was extended theoretically to Ontario as a whole except that, given the shortage of staff and overflowing dockets, it has not been possible yet to put it into force in some areas of that province. In any event, the rule is that once the order is issued and registered in the office of the clerk of the court, the family court is responsible for its implementation.

As for the federal action, it took shape through correspondence addressed by the Minister of Justice to the attorneys general of all provinces, expressing his wish to cooperate with their governments in the reform of family courts. In this connection, the Department of Justice considers granting subsidies to pilot project in that field. Several provinces have shown a desire to participate in this kind of common undertaking with the federal government.

The Acting Speaker (Mrs. Morin): Order, please. The time alloted to the hon. member has expired.

[*English*]

NATIONAL DEFENCE—INQUIRY WHETHER CANADA NEGOTIATING WITH BRAZIL IN PURCHASE OF ARMOURED CARS

Mr. Allan B. McKinnon (Victoria): Madam Speaker, I rise tonight because the other day I asked two questions about Brazilian armoured cars which were not really answered. *Hansard* of February 11 records at page 3106 the following exchange between the minister and myself:

MR. ALLAN B. MCKINNON (VICTORIA): Mr. Speaker, I have a seven-day old question for the Minister of National Defence. In light of the fact that a Brazilian-produced armoured car is now being tested at Camp Wainwright, can the minister now tell the House whether Canada has entered into negotiations with Brazil for these cars, and whether the cars are to be used for riot control or replacement for the Centurion, the Ferret or our armoured personnel carriers?

HON. JAMES RICHARDSON (MINISTER OF NATIONAL DEFENCE): Mr. Speaker, it is correct that we are testing armoured cars at Wainwright. One of them is from Brazil. There are other cars from Sweden and the United States. We have not made any decision, and we certainly have not entered into any negotiations with Brazil.

MR. MCKINNON: I understood the other car was from Switzerland, not Sweden; but I will let that go. Have the negotiations reached the state where the minister has consulted his colleague, the Secretary of State for External Affairs, to determine if that minister may have reservations about a $200 million arms deal between Canada and Brazil?

MR. RICHARDSON: I have already indicated to the hon. member that we have not entered negotiations for any arms purchase from Brazil.

So in sum I asked two questions. One was: what are they going to do with these vehicles, what are they to replace? The other was: have we any reservations about entering into negotiations with Brazil?

Of these three vehicles that are at present being tested in Camp Wainwright, one if from the United States, the Commando, which is basically an armoured personnel carrier although it can be converted to a reconnaissance vehicle or an armoured car. It weighs in the order of 15 tons, and is a most unlikely replacement for the Ferret. It is produced by the Cadillac Gage company of Detroit, Michigan. It may be of some consolation to Canadians to realize that we now have three Cadillac armoured cars in Canada, one at Camp Wainwright and two at 24 Sussex Drive.

One of the other cars that is considered in this competition is from Switzerland and is known as the Puma. The company, known as Mowag, has a Puma and a Tornado. The two cars weigh 16 tons each.

The information on the car from Brazil is rather difficult to obtain and most of it is contained in a copy of *Latin America* of October 18, 1974. It describes the two vehicles being made by Brazil, the EE-9 Cascavel, a wheeled reconnaissance vehicle, and the EE-11 Urutu, which comes in two forms—either an amphibious troop carrier for 14 men, or an armoured car. I think that from the description of these vehicles it is difficult to see how they can fill any of the known needs that we have in the Canadian armed forces, where the desperate need is for a reconnaissance vehicle to replace the Ferret, or for a tank to replace the Centurion.

If it is to replace the Centurion, Canada will end up with the world's thinnest-skinned tank. If it is to replace the Ferret we are going to end up with one of the heaviest imaginable armoured personnel carriers with a very indifferent cross country performance, being wheeled instead of tracked. I merely asked the minister the question the other day to try to obtain an answer because military men are puzzled when three vehicles, which are not anything like the top priority for replacement in our armed forces, are brought here for testing. One could easily fall into a state of conjecture and imagine that it is as a riot control vehicle, which is the main purpose to which these are put in the South American countries, according to *Latin America*.

● (2210)

The question of whether we should or should not buy it from Brazil is of interest to Canadians. Brazil is not a democracy as we know democracies. Brazil is not an ally of ours. The United States is certainly an ally, and there

are other countries such a Great Britain producing very serviceable armoured cars and tanks.

I return to the main questions: what are we doing with these vehicles, what are they to replace, what is their use if we do buy them, and are we to assume that there is no preference to be given to the other nations in NATO?

I hope that the parliamentary secretary will be able to answer these questions because I am asking him for information, not to embarrass the department or the minister. I think there is quite an expression of interest in defence in Canada, and this needless and pointless secrecy only serves to confuse what may be a reasonable replacement program. I am sure that the Canadian people are now prepared to accept the fact that we do need replacements desperately, and particularly for our armoured vehicles.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, as part of its re-equipment program the Department of National Defence has a requirement for an armoured wheeled personnel carrier, commonly known as an armoured car. This type of vehicle is being manufactured in a number of countries, including Brazil, France, Switzerland, Germany and the United States.

During the past summer, a technical procurement team from the Department of National Defence and the Department of Supply and Services examined ten different types of vehicles available on the international market. These government representatives visited the U.S.A., Brazil, France, Germany and Switzerland to examine at first hand vehicles being developed or in production.

Companies which had armoured cars which met the basic requirements of the Department of National Defence were asked to submit technical and financial proposals. Six proposals were received.

Following an intensive assessment by the government team, which considered such factors as technical performance, potential industrial stimulation and program price, three vehicles were selected which met the basic criteria. These are the Commando from the U.S.A., the Piranha from Switzerland and the Urutu from Brazil.

The technical assessment in progress last summer for an armoured wheeled vehicle was the normal preliminary step in examination of equipment needs which the Department of National Defence carries out. Models of all three vehicles are now undergoing winter trials at Camp Wainwright, Alberta, to determine their performance under cold weather conditions. These trials commenced earlier in February and will not be completed until the latter part of March of this year. The trials themselves are being conducted by soldiers from the Calgary based No. 1 Combat group under the supervision of factory representatives and specialists from National Defence headquarters.

Following completion of these trials and further detailed studies concerning technical performance, potential industrial stimulation and price, recommendation will be made to the government by the Department of National Defence seeking approval to begin negotiations to purchase the vehicle.

[Mr. McKinnon.]

AIR CANADA—ATTEMPTED DENIAL OF RIGHT OF MEMBER TO APPEAR BEFORE LABOUR BOARD—REFUSAL TO PAY EMPLOYEES APPEARING AS WITNESSES

Mr. Ian Watson (Laprairie): Madam Speaker, what I intend to discuss now relates to the incident in Montreal on December 4 before the Labour Relations Board when an Air Canada representative made representations to that board asking it, in effect, to rule that citizens appearing before the board should not contact their member of parliament, or members of parliament or ministers concerning matters which were before the board.

I think every member of the House readily agrees that that kind of request was ridiculous. Apparently Air Canada indicated to the minister that it had not authorized its representative to make that kind of representation. What is important about this instance is that it reflects the kind of attitude adopted by the labour relations division of Air Canada in the Montreal region; presumably this attitude exists outside the Montreal region as well. Nevertheless it reflects the attitude of Air Canada management to labour relations in general, and to its employees in particular.

This episode, so far as I am concerned, began in the latter part of 1973, when I was informed by several people working for Air Canada, who are constituents of mine, that the Air Canada labour relations division at Dorval was contributing to a serious deterioration in labour-management relations by the handling of the case of Mr. M. J. Morrison, chief shop steward at the power plant shop. Mr. Morrison was forced to work overtime on Dominion Day, 1973, even though it is a statutory holiday and is, by act of parliament, a public holiday. He had also been required to work on St. Jean Baptiste day, 1973, because Air Canada decided that that day would also be a normal working day.

After working five hours on Dominion Day, 1973, from 7.30 a.m. to 12.30 p.m., Mr. M. J. Morrison went home tired, leaving work three hours early. Mr. Morrison was 58 years old at the time and had worked 13 days without a break, and he was tired. But he was also angered by the callousness of Air Canada in misusing the power it has under the collective agreement to call in employees for essential work on holidays. It so happened that the so-called essential work that Mr. Morrison was called in to do could easily have been left until the next day. The call in for work on Dominion Day was purely and simply a show of power exercise by the company officials responsible. In any event, Mr. Morrison was suspended by Air Canada for five days, with a loss of pay privileges and a letter on his file, for being three hours absent without permission.

On January 15, 1974, I wrote to the Minister of Transport (Mr. Marchand) giving him the details of the incident and informing him of what I regard as an unsatisfactory labour relations situation at the Air Canada power plant at Dorval.

[*Translation*]

In that letter I wrote to the minister, I advised him that Air Canada was annoyed that Mr. Morrison had said in the past that the company had not observed public holidays and had asked its workers to put in too much overtime. According to Mr. Morrison's report on overtime, the company wanted the mechanics to exceed the overtime agreed

upon, namely 104 hours every three months. I was told that some employees worked from 160 to 180 hours overtime over a three-month period. Mr. Morrison also told about some defective parts of the company's equipment to the federal security agents.

As you can see, according to the above-mentioned events, Mr. Morrison did not precisely win the company's sympathy before this incident and one can easily conclude that the events previous to the incident influenced in some way Air Canada's decision to penalize Mr. Morrison because of his three-hour absence on the 1st of July.

[*English*]

After some exchange of correspondence with Mr. Morrison, I wrote further letters to the Minister of Transport and to Mr. D. W. Benson, assistant to the president of Air Canada, on July 3, 1974. During the period from January to July, 1974, Mr. Morrison had also contacted the hon. member for Vaudreuil (Mr. Herbert) and had written letters himself directly to the Minister of Transport and the Minister of Labour (Mr. Munro).

● (2220)

The hearing of the Labour Relations Board was scheduled for September 23, 1974, and subpoenas were sent to a number of Air Canada employees to attend. The day of the hearing, it was cancelled because of the illness of one of the Board members, I believe the chairman, and Air Canada again demonstrated a reprehensible attitude toward its employees when, in spite of its internal regulations requiring that employees acting as court witnesses be carried on the payroll with pay, Air Canada refused to pay the employees who had appeared on behalf of Mr. Morrison.

I again wrote to the Minister of Transport on October 15 pointing out to him that Air Canada's refusal to pay the witnesses contradicted its own regulations and confirmed to me that Air Canada was deliberately and systematically trying to embarrass and punish Mr. Morrison and anyone having to do with his case. I pointed out that this continuing attitude was poisoning labour relations not only at the Air Canada power plant shop, but elsewhere in the Air Canada Dorval organization.

At the December 4 hearing, Air Canada again refused to pay the witnesses, even though they were subpoenaed by Mr. Morrison and, under company regulations, it was obliged to pay them their salaries.

I ask the parliamentary secretary who is here representing the minister tonight, to deliver strong urgings to Air Canada to rectify this miserable, miserly attitude toward its employees—

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

Adjournment Motion

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, first I wish to draw to your attention the fact that at page 3218 of *Hansard* for February 14, the hon. member for Laprairie (Mr. Watson) stated:

> Mr. Speaker, I wish to raise a question of privilege concerning a position taken by Air Canada—

I wish to emphasize the words "Air Canada". In a question directed to the minister this afternoon, the hon. member said "It relates to the incident in Montreal on December 4, when an Air Canada representative—". I emphasize the word representative. This evening, the hon. member again referred to the Air Canada representative.

This afternoon, in response to the hon. member's question, the Minister of Transport (Mr. Marchand) said, and I quote:

[*Translation*]

> Mr. Speaker, the information I got from Air Canada is that this corporation has never instructed its legal adviser to hold that stance before the Canada Labour Relations Board. Therefore, that stance has been a purely personal one, and Air Canada dissociates itself completely from what has been said.

That is the answer given by the minister.

[*English*]

I think that even using only the part of the Air Canada counsel statement, as reported in *Hansard* on February 14, page 3218, it is obvious that the legal counsel was speaking on his own behalf. In fact the statement attributed to the Air Canada legal counsel was made after the union had withdrawn its complaint. It is my understanding that the union has re-filed the complaint and the board is now dealing with it. I do not think I should comment on the specific case.

However, the hon. member for Laprairie this afternoon, in his supplementary question to the Minister of Transport stated that Air Canada was in violation of its own regulations requiring payment of witness fees, requiring payments for its employees as witnesses and refusing to pay employees who appeared that day as witnesses on behalf of Mr. Morrison.

I believe it is the contention of Air Canada that the company regulations do not provide for indemnification by the company of the employee witnesses. Employees are granted time off with pay for jury duty, coroner's inquests or court duty. However, the circumstances in this case do not fall into any of the above categories.

The Acting Speaker (Mrs. Morin): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 o'clock a.m.

Motion agreed to and the House adjourned at 10:28 p.m.

HOUSE OF COMMONS

Friday, February 21, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

AIRPORTS

SUGGESTED DISCONTINUANCE OF PLANS FOR PICKERING AIRPORT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I ask leave to introduce a motion under Standing Order 43 concerning a matter of urgent and pressing necessity. The government has announced its plans for the completion in stages of the Pickering Airport. At no time has there been shown to be any need for this airport. The City of Toronto, through its Council, has clearly indicated its view that there is no need for the new airport. The Pickering impact study shows that the project would raise grave problems of traffic within the whole metropolitan area and that the estimates of cost given so far do not take into account some of the major ancilliary aspects—

Mr. Speaker: Order.

Mr. Brewin: I therefore move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House instruct the Minister of Transport to discontinue forthwith any plans to complete the airport or, in the alternative, resign from the ministry.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the terms of the proposed motion. Since it is put forward under the terms of Standing Order 43 it cannot be debated in the absence of unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CRIMINAL CODE

SUGGESTED AMENDMENT TO PROVISION CONCERNING IMPAIRED DRIVERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I rise under the terms of Standing Order 43 to request unanimous consent of the House to move a motion on an extremely urgent matter which needs immediate consideration from this House.

Considering that most highway accidents are due to drivers under the influence of alcohol, that present legislation is not hard enough to dissuade people from driving in a state of inebriety, and that it is urgent to do something in order that drunk people be scared enough by legal reprisals not to take the wheel, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the Standing Committee on Justice and Legal Affairs be instructed to study the possibility of amending the Criminal Code to incorporate severe measures likely to dissuade people under the influence of alcohol from driving a car.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the terms of Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is no unanimous consent, the motion cannot be put.

* * *

● (1110)

[*English*]

HEALTH

PROPOSED INQUIRY INTO HEALTH HAZARD OF ASBESTOS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask unanimous consent to put a motion of urgent and pressing necessity dealing with the extreme health hazard related to the asbestos mining industry. While the provincial government of Ontario has taken steps to alleviate the problem, the industry in Quebec still exposes miners to extremely unsafe working conditions. Therefore, I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That the minister of health—

—whom I am glad to see back in the House after a long absence—

—initiate an immediate inquiry into this matter and report the findings, along with recommendations for solutions to this House upon completion of the inquiry.

Mr. Speaker: Order. The House has heard the terms of the motion now being proposed pursuant to Standing Order 43. It cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIRPORTS

PICKERING—PROPOSED CHANGE IN VALUATION DATE OF EXPROPRIATED PROPERTIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I rise pursuant to Standing Order 43 to raise a question of urgent necessity respecting the Pickering airport announcement of yesterday. The decision that was made yesterday follows two years and 21 days after the original date of confirmation of expropriation which set the values for the property involved. I consider it a matter of very grave urgency that something be done in respect to this, in light of the fact that the government, through the previous Minister of Public Works, the Minister of Transport (Mr. Marchand) and others, made statements indicating that that property would not necessarily be needed and that a final decision would be made after the airport inquiry.

Therefore, I move, seconded by the hon. member for York West (Mr. Fleming):

That in respect to the Pickering airport properties, this House instruct the Minister of Public Works to take whatever action is necessary to advance the valuation date for those in occupation at the time of the original notice of confirmation to the date that such persons replaced their properties, or the date the Crown takes physical possession of such properties, whichever is the earlier, as one step in assuring that expropriated persons are provided with reasonably equivalent premises to replace those which have been taken from them.

Mr. Speaker: Order, please. The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43, it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

PICKERING—SUGGESTED CHANGE IN NAME OF TORONTO INTERNATIONAL TERMINAL 2—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I should like to place a motion before the House under the provisions of Standing Order 43 on a matter of significant and immediate necessity, namely the importance of saving our quality of life and our tax dollars, and as well, saving the face of the Minister of Transport (Mr. Marchand). Therefore I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That this House respectfully advises the government to resolve at least one outstanding mess in our national transportation policy by simply changing the name of Terminal 2 at the Toronto International Airport to the Pickering International Airport.

Mr. Speaker: Order, please. I have already twice indicated the acceptability of the general subject of the Pickering airport but certainly this motion has a different slant. The motion being proposed pursuant to Standing Order 43, it cannot be debated without unanimous consent. Is there unanimous consent?

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

REQUEST FOR RE-OPENING OF ROGERS PASS ON TRANS-CANADA HIGHWAY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Trans-Canada highway at Rogers Pass is closed indefinitely as a result of this government's failure in its labour relations with its own employees, I move, seconded by the hon. member for Surrey-White Rock (Mr. Friesen):

That this government take such emergency measures as are necessary to re-open the Trans-Canada Highway and to ease the emergency situation building up at Golden, B.C., and in the national parks of western Canada.

Mr. Speaker: Order, please. The motion being proposed pursuant to Standing Order 43, it requires the unanimous consent of the House for debate. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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POST OFFICE

PROPOSED ALTERNATIVE METHOD OF DELIVERING OLD AGE PENSION CHEQUES IN CHURCHILL RIDING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Cecil Smith (Churchill): Mr. Speaker, I rise under Standing Order 43 on a matter of urgent and pressing necessity to all Canada, and I would urge the unanimous consent of this House.

I have filed this morning with the Postmaster General (Mr. Mackasey) a list of 77 communities in the Churchill riding which will not be receiving old age pension cheques this month because of the postal strike. I would move, therefore, seconded by the hon. member for Provencher (Mr. Epp):

That the Postmaster General deliver the said cheques to my office and provide the services of one of the government's Jet Stars to see that the needy people of my riding receive their cheques on time.

Mr. Speaker: Order, please. The motion has been proposed pursuant to Standing Order 43 and requires the unanimous consent of the House to be debated. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

LABOUR CONDITIONS

SUGGESTED EQUAL TREATMENT AND NO LOSS OF PAY FOR EMPLOYEES APPEARING BEFORE LABOUR BOARD—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, under Article 43 of the Standing Orders, on a matter of urgent and pressing necessity, highlighted by discussions in this House in the last few days and the response of the Parliamentary Secretary to the Minister of Transport (Mr. McIsaac) in the adjournment debate of last evening, I move, seconded by the hon. member for Hamilton Mountain (Mr. MacFarlane):

That this House, without debate, express its opinion that employer and employee representatives of Crown corporations be treated equally when called to appear before the Canada Labour Relations Board and specifically that employees subpoenaed to appear before the board not be penalized by loss of salary.

Mr. Speaker: Order, please. I presume the urgency of the matter must be reflected in the reference in the first part of the motion to remarks made during the adjournment debate last evening. Therefore, I would put the question to the House in respect of unanimous consent. The motion being proposed pursuant to Standing Order 43, it cannot be debated without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: Motions.

Mr. Fairweather: Nobody said no.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Was there in fact unanimous consent?

Mr. Speaker: I thought I heard a contrary voice. I will put the question again. The motion being proposed pursuant to Standing Order 43, it cannot be debated without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order which is more of a technical point. I believe the parliamentary secretary who answered last night was not the Parliamentary Secretary to the Minister of Transport (Mr. McIsaac). The hon. member for St. Boniface (Mr. Guay) is the parliamentary secretary to the Minister of Regional Economic Expansion.

Mr. Speaker: Order, please. There being unanimous consent, is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Some hon. Members: Hear, hear!

Mr. Clark (Rocky Mountain): That is the sort of thing that wouldn't happen if Mitchell Sharp were alive.

Some hon. Members: Oh, oh!

● (1120)

[*English*]

ORAL QUESTION PERIOD

AIRPORTS

PICKERING—REQUEST FOR ESTIMATED COST OF COMPLETE AIRPORT AND INFRASTRUCTURE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Transport. In view of the minister's statement yesterday that the estimated cost of land and construction of the proposed Pickering International airport would be $204 million, would the minister indicate if his department has estimated the cost of the completed airport, to which he refers as "other options", and, secondly, would he indicate what is the estimate cost of the infracture that will be required to build Pickering, that is the sewage, the water, the road system, etc., and who will be paying?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there would be a lot of figures but I can supply them. I will ask the department to give them to the hon. member.

* * *

URBAN AFFAIRS

SUGGESTED DIVERSION OF FUNDS FROM PICKERING AIRPORT TO INFRASTRUCTURE FOR TORONTO REGION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the comment of the Minister of Transport that there would be a lot of figures and the Prime Minister's comment in Montreal yesterday that soon it will not be possible to give an airport to a municipality, would the Prime Minister indicate whether the cabinet gave any serious consideration to diverting the funds earmarked for the Pickering airport project through the province of Ontario to the municipalities in the Toronto centred region to aid them in building their sewage treatment facilities, their water treatment facilities, their Go train extensions, their roadways and their subways with a view to helping commuters in that region and to help bring down the prices of houses in that area, instead of spending the hundreds of millions of dollars as is proposed at Pickering?

Right Hon. P. E. Trudeau (Prime Minister): All these considerations have been taken into account in arriving at the decision.

* * *

AIRPORTS

PICKERING—GOVERNMENT ACTION TO ASSURE AREA RESIDENTS NOT SUBJECTED TO HIGH NOISE LEVEL

Mr. Sinclair Stevens (York-Simcoe): I should like to direct my supplementary again to the Minister of Trans-

port. In view of the government's decision not to accept the Gibson report recommendation with respect to those who live in areas such as Stouffville, and in view of the minister's statement that the government anticipated that the noise level in areas such as Stouffville will not create a disturbance with respect to the residents of that area, would the minister indicate what type of guarantee his department intends to give to those residents who will not be compensated now but may be subjected to noise that they in fact will not have to endure the noise levels that the Gibson report anticipated if the airport were developed?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the Gibson report gives a certain number of solutions to that problem. I do not know which one will be chosen by those who are interested. If some people are really annoyed by the noise, we are ready to buy their property.

An hon. Member: This is not what you said yesterday.

Mr. Marchand (Langelier): This is what I said yesterday. The hon. member should read my statement again, and he will see that this is what I said. Of course, if those people wanted to move because of the noise level, we will not expropriate them but voluntarily buy their property.

So far as the cost of the airport and the kind of distribution the hon. member proposes are concerned, if he knew the law or the administration he would not have put this question because there is a special fund for airports which is self-sufficient for Toronto, Montreal and Pickering.

PICKERING—SMALL INCREASE IN PASSENGER TRAFFIC MIGHT NOT CAUSE CONGESTION AT MALTON

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have a supplementary question which I would like to direct also to the Minister of Transport. In view of the fact the minister has stated that, considering the present growth in air travel, Malton would be seriously congested and therefore other airport facilities are necessary, would he indicate to the House whether or not he is aware of the fact that the International Civil Aviation Organization's annual year-end estimates of scheduled air traffic in 1974 showed that the year's rate of growth for total traffic was the lowest since 1958, and that the volume of passengers registered the lowest increase ever recorded in the industry, and could he tell us something that ICAO does not know as yet?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker, I am aware of that fact. I think that the whole world is aware of the fact that there was an oil crisis that year and that it had an impact on all modes of transportation.

PICKERING—REQUEST FOR TABLING REPORTS ON WHICH DECISION TO CONSTRUCT BASED

Mr. Otto Jelinek (High Park-Humber Valley): In view of the fact that the federal government has spent millions of dollars on inquiries and consultations regarding the proposal for a second international airport for the Toronto area, and because each of these reports recommended that a large, international airport be built, but now, instead, a whole community will be affected and disrupted for one runway only, which is like being half pregnant without ever really wanting to be, could the government now table the reports and recommendations which constitute the basis of its decision, a decision contrary to both the costly recommendations of the inquiry and the majority of the people in the Toronto area?

Hon. Jean Marchand (Minister of Transport): If the hon. gentleman can bring some kind of evidence to show that the majority of the population is against the airport, I am ready to revise the whole thing.

PICKERING—IF DECISION TO CONSTRUCT BASED ON OVER-ALL TRANSPORTATION PLAN, REQUEST FOR DETAILS OF PLAN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the minister may well live to regret that statement.

Some hon. Members: Hear, hear!

Mr. Broadbent: I should like to ask the minister a question based on what is contained on page 4 of the statement which he tabled in the House yesterday. He spoke—and I am sure there was no humour intended—with reference to what he described as his "over-all transportation policy." I would like to ask him with reference to that over-all transportation policy in which he makes subsequent references to STOL aircraft, high speed trains, and so on, all of which he thought should be put in the context of a serious plan, if the decision for the Pickering airport was made in the light of such a plan? If so, when is he going to outline the details of the plan to the House? If it was not made in the context of a plan which has already been established, when will such a plan be established and provided to hon. members of the House?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we have quite a large budget to operate airports throughout Canada. Some airports are being built now. Is it the suggestion of the hon. gentleman that we should stop everything which is being done now in the field of transportation in Canada because we are preparing an over-all plan?

Mr. Broadbent: Mr. Speaker, I asked the minister a serious question. Does the department have a plan—

Some hon. Members: Oh, oh!

Mr. Broadbent: Would hon. members on the backbenches on the other side kindly shut up until the question is put.

Some hon. Members: Oh, oh!

Mr. Broadbent: Would the minister inform the House, yes or no, whether there is in existence a national transportation plan which includes as part of its makeup a plan for airport development across Canada? Is there a plan or is there not? If there is not, when can we expect one? It is a pretty straightforward question.

Mr. Marchand (Langelier): This question of Pickering airport—because this is the one the hon. member is referring to—has been discussed since 1968, more than seven years. There was an inquiry presided over by Mr. Justice Gibson, and it was agreed that at this moment we need something in order to avoid a real mess in the Malton region in a few years. This is what we are attempting to take care of with just one runway, and we will see in these two years what will happen. If we have to go further, we will go further. If we do not need to go further, we will be happy to stop there. So, it is not necessarily integrated into the plan, because at that time there was no general plan for the development of an airport.

Mr. Broadbent: Is there one now?

Mr. Marchand (Langelier): Yes there is.

An hon. Member: Where is it?

Mr. Broadbent: Mr. Speaker, at the end of his answer the minister said that there was a plan. Would he either, in the form of making a statement on motions or in some other form in the next few days, provide that plan and outline it to members of the House?

MALTON—REQUEST FOR RAPID INTRODUCTION OF NOISE ABATEMENT DEVICES

Mr. Edward Broadbent (Oshawa-Whitby): My last question is with reference to the people now in the Malton area. Would the minister assure us that his department would take the most rapid steps to introduce all the noise abatement devices possible as quickly as possible so the noise effects for the people in the Malton area in the coming two years in particular will be reduced?

● (1130)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is exactly what we are doing. We are rapidly building this one runway at Pickering to avoid an increase in the noise level at Malton. We know that aircraft movements are going to increase considerably in coming years and we want to be in a position to prevent an increase in the noise level. We are taking care of this problem, and I do not know why the hon. member complained.

PICKERING—SUGGESTED CONSTRUCTION OF THIRD TERMINAL AT TORONTO AS ALTERNATIVE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is a supplementary for the Prime Minister. A study which was carried out within the Department of Transport and is well known in aeronautical circles shows clearly that a projected increase in air traffic at Toronto International Airport would be provided for if a third terminal were constructed as provided in the original plan. May I ask why the government is going ahead with an airport which the people of Toronto and vicinity do not want—

Some hon. Members: Wrong!

Mr. Hees: —which is completely unnecessary and a waste of hundreds of millions of dollars of the taxpayers money?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of the report mentioned in the premise of the question.

Mr. Hees: Mr. Speaker, a supplementary question. Will the Prime Minister get that report and acquaint himself with its details and, if possible, stop this very foolish waste of money in which the government is participating?

* * *

[*Translation*]

BILINGUALISM

QUEBEC—GOVERNMENT POSITION ON CONSTITUTIONALITY OF BILL 22

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Further to the statements he made yesterday to the electors of his riding of Mount Royal, would he indicate to the House what main principle he finds anticonstitutional in Bill 22 and what his government intends to do about this act in view of the unrest it stirs in Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have never indicated that I find this bill anticonstitutional. On the contrary, I said that, to my mind, the bill is probably not ultra vires, though some parts of it could be challenged before the courts.

Mr. Beaudoin: Mr. Speaker, I have a supplementary for the Prime Minister.

In view of his answer, would the federal government give technical assistance with a view to proving that the bill might be ultra vires?

Mr. Trudeau: Mr. Speaker, the hon. member obviously did not understand my reply. I said the contrary. I said that we do not think it is ultra vires.

[*English*]

POSSIBILITY OF FINANCIAL ASSISTANCE TO GROUPS CONTESTING CONSTITUTIONALITY OF BILL 22—GOVERNMENT POSITION ON INTERVENTION IN COURT PROCEEDINGS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of what he just said, and in view of the fact that private groups in Montreal are bringing action with respect to the constitutionality of that bill which will eventually lead to the Supreme Court of Canada, would the Prime Minister advise whether it is the intention of the government to provide financial assistance to those groups in the prosecution of this section to the same extent as it was provided to the Indians at James Bay with respect to their rights in relation to that project?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, any group which needed financial assistance to prosecute its case for justice in Canada might make application to the government. As far as I know the question is hypothetical.

Mr. Baker (Grenville-Carleton): A final supplementary, Mr. Speaker. On occasion the Prime Minister has said that it is the intention of the government to watch this kind of action very closely and to intervene where necessary. Could he inform the House whether in this case counsel would have merely a watching brief or would play an active part in the proceedings? What position would the government intend to ask its counsel to take at any hearing?

Mr. Trudeau: Mr. Speaker, no action having been taken before the courts up to now, the question is purely hypothetical.

* * *

AIRPORTS

MOUNT HOPE—REASON FOR ALLOTMENT OF FUNDS TO STUDY ADVISABILITY OF EXPANSION AND FOR ACQUISITION OF LAND

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is for the Minister of Transport. I would point out to him the discrepancy in the estimates tabled for the coming fiscal year which indicate that his department will spend $264,000 on an ad hoc advisory committee to study whether there should be expansion of the Mount Hope airport and also show a $500,000 allowance for the acquisition of land for the expansion of Mount Hope airport during the coming year. May I ask the minister if this means that the $264,000 ad hoc advisory committee is a fraud and an expensive one at that?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker, because I understand that all this was printed before we had the Gibson report.

An hon. Member: It is a different airport.

Mr. O'Sullivan: A point of order, Mr. Speaker. To be fair to the minister I am referring to the Mount Hope airport in the city of Hamilton which has nothing to do with the Gibson report.

Mr. Marchand (Langelier): Oh, excuse me.

Mr. O'Sullivan: Perhaps the minister would like to amend his answer.

Mr. Marchand (Langelier): You know what is happening in Hamilton and it is the same thing.

Some hon. Members: Oh, oh!

An hon. Member: Do you know?

Mr. Hees: You tell us what is happening there.

An hon. Member: He doesn't know.

An hon. Member: Where is Hamilton?

[Mr. Baker (Grenville-Carleton).]

Mr. Marchand (Langelier): Of course, Mr. Speaker, when we decide at the request of the population to consult with all the organizations, then I wait until I have a report. That is all. I did not receive that report.

Mr. MacFarlane: A point of order, Mr. Speaker. The hon. member for Hamilton-Wentworth is well aware of the price of that study which is in the estimates on the same page—$441,000. He received the report on the airport from me in person.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Where is the fraud?

Mr. O'Sullivan: Mr. Speaker, I should like to return to the Minister of Transport, since it was to him that I posed the question. If I wanted an intervention from the minor league I would have indicated it.

Some hon. Members: Hear, hear!

Mr. O'Sullivan: Now that we have established clearly, I hope, with the Minister of Transport that we are discussing the Hamilton Civic airport located at Mount Hope, Ontario, could the minister tell the House why it is that the estimates show a multithousand dollar expansion study on whether there should be an expansion and then $500,000 is allocated for expansion and land acquisition? It would seem that the decision has already been taken.

Mr. Marchand (Langelier): Mr. Speaker, it is very easy to put this kind of question. There is not doubt that, following the report, if nothing is done the money is not going to be spent.

Some hon. Members: Hear, hear!

* * *

TRANSPORT

FERRY SERVICE TO GRAND MANAN ISLAND—REQUEST FOR RECONSIDERATION OF RATE INCREASE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Transport which is of equal importance to the people on the island of Grand Manan in the province of New Brunswick, which has nothing to do with millions or billions but has something to do with people who are isolated because of the sea. Given that the CTC has approved a 90 per cent fare increase to a federally subsidized ferry service will the minister recommend to the cabinet that such a drastic increase be deferred or that the federal subsidy be increased so that these isolated people will be saved from a very real hardship?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, perhaps the hon. gentleman knows whether an appeal was launched to the cabinet on this. I do not know but I can check. If there is no appeal, this is a decision of the CTC.

EXTERNAL AFFAIRS

ALLEGED DIFFERENCE BETWEEN STATEMENTS BY MINISTERS ON INTEREST RATE ON LOAN TO CUBA

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I have question for the right hon. Prime Minister. I must review the background of this question for him because of his inability to be present in the House yesterday.

An hon. Member: Where is Bob today? He is not sick.

An hon. Member: You are sick.

Mr. Alkenbrack: It concerns a question I raised yesterday in the oral question period. I asked the Minister of Finance for information regarding finances, particularly in relation to bonds. As background, I stated:

● (1140)

In light of this fact, the minister is lending several millions of this money to Cuba through the Canadian International Development Agency at 3 per cent, so how does he justify the economics of taxing Canadians through making them pay high interest rates and then giving the money away to foreign countries?

The minister replied:

The second answer is that Cuba is not receiving that interest rate.

Namely, the 3 per cent figure I stated. Later in the day, at about half past four, during the opposition debate on CIDA—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member has indicated that the Prime Minister was absent. Hon. members know that absence was unavoidable. The hon. member indicated that, out of courtesy to the Prime Minister, he was reviewing the background. I hope he will be able to do it in a brief way. However, the hon. member ought to be given that chance.

Some hon. Members: Hear, hear!

Mr. Alkenbrack: I am coming to the point, Mr. Speaker. I know the Prime Minister will co-operate with me. I stated he was unavoidably absent yesterday. We know that he is a busy man. During the CIDA debate yesterday, at about 4:45 I asked the Secretary of State for External Affairs, and I quote:

Mr. Speaker, I rise on a point of order. Having listened to the minister's comments with interest and heard him speak about the Cuba loan, may I ask, what is the interest rate on this loan?

The minister replied:

Mr. Speaker, I have the press release here; it contains all the details. I will be happy to send it to the hon. member.

I have the press release here. The minister sent it over immediately. It reads as follows:

The Secretary of State for External Affairs—

Mr. Speaker: Order, please. I wonder if the hon. member would put the question.

Mr. Alkenbrack: It states that the loan is for $10 million. I quote:

The loan, to be financed by the Canadian International Development Agency over three years, carries interest at 3 per cent per annum and matures in 30 years.

My question is, will the Prime Minister explain to the House why there is such a difference of policy between these two cabinet ministers, and tell the Canadian people the truth regarding the rate of interest on this soft loan to communist Cuba.

Some hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I listened as attentively as I could. I see the difference in policy to which the hon. member is referring. After all, the facts are easily ascertainable. They are obviously contained in the press release. As to the policy, the government policy is well known. We have various forms of loans, soft and concessional, to various countries. The policy of the government was discussed by the House yesterday. I have nothing to add to that.

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ENERGY

SARNIA-MONTREAL PIPELINE—REQUEST FOR DETAILS OF AGREEMENT ENTERED INTO WITH INTERPROVINCIAL PIPE LINE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources regarding the proposed pipeline from Sarnia to Montreal. On January 17, the press reported the Prime Minister saying that the government is now willing to offer some type of guarantee to Interprovincial Pipe Line Limited. I wish to ask the minister if any agreement has been reached in principle or actually concluded with Interprovincial Pipe Line. If so, what guarantees, if any have been given and what is the nature of those guarantees?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, after protracted negotiations between representatives of the Crown and Interprovincial Pipe Line, a draft deficiency agreement has been worked out with Interprovincial Pipe Line whereby, in general terms, the government will in the years in which there is no revenue from the Sarnia to Montreal section be prepared to assume responsibility for the fixed operating costs of that section of the pipeline. The purpose is to lay that particular draft agreement before the Standing Committee on Miscellaneous Estimates. I will be seeking, by way of a supplementary estimate, authority to enter into agreement on that particular part. At that time the agreement, which as I say has not yet been executed by the parties, will be laid before the committee for committee discussion.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Does the proposed agreement contain a provision that the traffic charges to customers on the pipeline which is now in existence to Sarnia will be increased slightly, and the rate from Sarnia to Montreal will be increased substantially? Is that a commitment which the government has made in this proposed agreement?

Mr. Macdonald (Rosedale): Mr. Speaker, the government could not make that commitment in this agreement. The tolls and tariffs on the line, as the hon. member knows, are determined by the National Energy Board under the National Energy Board Act. However, the agreement does make provision that if in the board's judgment in setting the tariffs for the two parts of the line, a lower tariff is set between Sarnia and Montreal and a higher one between Edmonton and Sarnia, to that extent the government's deficiency payment would be reduced. Obviously, the exact setting of the tariffs on the line is something the National Energy Board will have to determine. The agreement provides for that eventuality, but of course the administration cannot make that kind of agreement in the absence of the board.

SARNIA-MONTREAL PIPELINE—AMOUNT FOR WHICH GOVERNMENT LIABLE UNDER AGREEMENT WITH INTERPROVINCIAL PIPE LINE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that Imperial Oil, which is a major shareholder in Interprovincial, seems to have again stonewalled the government in compelling them to make concessions in order to build this pipeline, can the minister give the House any estimate as to what it will cost the government in paying the cost during the period the pipeline is completed but not in operation. If there is any deadline, has it been established so that the protracted period that has gone on in the past will not obtain in the future while the government is picking up the tab?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The protracted period of what?

Mr. Douglas (Nanaimo-Cowichan-The Islands): The protracted period of negotiations. The Prime Minister announced this project a year ago last September, and it has not even been started. What provision is there for the period between the time this agreement is entered into and the time the pipeline is supposed to be in operation, the period during which the government will be responsible for certain financial commitments? Does the minister have any estimate as to what the financial implications will be?

Mr. Macdonald (Rosedale): Mr. Speaker, I should make it clear to the hon. member the government will not be responsible for any financial commitments in advance of the completion of the line and throughput of oil through it. The government's commitment will only be in respect of a future year in which the revenue from the line, because of a drop in throughput, would not be sufficient to meet fixed and variable operating costs. There is no immediate financial commitment involved, that is for a payment this year. As to how much it will cost in the future, that is something it may be difficult to estimate. However, probably one of the better arenas in which to discuss that would be the standing committee where we can exchange views with the officials.

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

HAZARDOUS PRODUCTS

SUGGESTED INCLUSION OF BLUE FIBRE ASBESTOS IN PROVISIONS OF ACT

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Will the minister consider the inclusion in the Hazardous Products Act of blue fibre asbestos as a material dangerous to health with a view to banning its import into Canada where it is used in the manufacture of asbestos products, such as in the Johns-Manville plant in Scarborough. I ask this in view of the fact that blue fibre asbestos, if inhaled by workers or emitted into the air of the community, may cause a form of cancer which is always fatal.

● (1150)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the authority of the Hazardous Products Act has already been used to ban the use of asbestos in the manufacturing of clothes. The officials of my department, in cooperation with Department of National Health and Welfare officials, are currently investigating the matter and if necessary, we shall not hesitate to invoke the Hazardous Products Act again.

* * *

MANPOWER

COMMUNITY EMPLOYMENT PROGRAM—GOVERNMENT POSITION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Under the social policy reform program that the Minister of National Health and Welfare proposed to the provincial ministers of social affairs, a community employment policy was proposed and it was reported that the Department of Manpower and Immigration is about to implement twenty pilot projects across Canada. Can the parliamentary secretary tell the House what this community employment program really is? Does it consist in public works or in another kind or project which would result in any production needed by the Canadian people?

[*English*]

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): I believe the hon. member is referring to the community employment strategy concerning which we are holding discussions, now, with all the provincial governments. These talks are at various stages at the present time. The intention is to get at the "hard core" unemployed and provide jobs for them within the community. Discussions are going on within local communities and I would be glad to advise the hon. member of the nature of those discussions in his own riding.

[*Translation*]

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

Could the parliamentary secretary say right now whether the purpose of those projects is to replace the local initiatives program we have had for three or four years?

[*English*]

Mr. Rompkey: This is a long range concept as compared with the Local Initiatives Program and, hopefully, it will provide more permanent jobs for the hard core of unemployed people.

* * *

THE CANADIAN ECONOMY

GOVERNMENT POSITION ON ASKING PRIVATE SECTOR TO PRACTICE RESTRAINT IN VIEW OF INCREASED GOVERNMENT EXPENDITURES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, while this question was alluded to—

Some hon. Members: Leader!

Some hon. Members: Hear, hear!

Mr. Grafftey: In the interval since this matter was alluded to in a question put to the Minister of Finance 48 hours ago, we on this side of the House have had a chance to study the blue book of estimates. These estimates, together with supplementary estimates and the current rate of inflation amount to an increase over the last fiscal year of more than 30 per cent. In these circumstances I would ask the Prime Minister how he, together with the Minister of Finance, proposes to continue the government lecture to the private sector to practice restraint.

Right Hon. P. E. Trudeau (Prime Minister): I believe the figure given by the hon. member does not take into account the estimates and the supplementary estimates. He should compare similar things. If he does so, he will get a better statistical result.

Mr. Grafftey: I can assure the Prime Minister that we on this side have come up with these figures after detailed consultation with many people. The current inflation rate, together with the supplementary estimates proposed by the President of the Treasury Board, bring the increase over the last fiscal year close to 30 per cent and I ask the Prime Minister how he and the Minister of Finance propose to continue to tell the private sector to practice restraint in those circumstances.

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HEALTH

ALLEGED DETRIMENTAL EFFECT ON CHILDREN OF FOOD COLOURING—GOVERNMENT ACTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that reputable sources indicate that artificial colouring and flavoring in foods may be contributing to hyperactivity and learning disability in children, can the minister tell us whether any studies are being undertaken by his department into the use of these food chemicals and, in particular, into their effect on children?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I know that various studies are made on a continuous basis in the Health Protection Branch. As to whether there have been very recent studies on the matter, I shall inquire and report to the hon. member.

[*English*]

Mr. Yewchuk: Since there is no proof to date that these additives have any nutritional value whatsoever, can the minister inform us whether he would be prepared to remove them from the marketplace, taking into account their possible danger?

[*Translation*]

Mr. Lalonde: I shall give the matter closer consideration, Mr. Speaker, and report to the hon. member.

* * *

[*English*]

COMMUNICATIONS

REQUEST FOR DETAILS OF FACILITIES SUPPLIED UNDER GOVERNMENT'S ACCELERATED IMPROVEMENT PROGRAM

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is for the Secretary of State but, in his absence, I will direct it to the Prime Minister. The government's accelerated communications program is a five year crash program which will cost between $150 million and $200 million. Can the Prime Minister advise us what facilities have been installed in the past year since the program was announced and tell us the location of these facilities? Can he supply us with a plan showing these locations and outlining the facilities which are to be established over the next few years?

Mr. Speaker: I am sure the hon. member will agree, on reflection, that information of this type ought to be sought in another way.

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AIR TRANSPORT

POSSIBILITY REGIONAL CARRIERS GIVEN MORE SHORT-HAUL ROUTES—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to address a question to the Minister of Transport. Since the chairman of Air Canada, Mr. Yves Pratt, has indicated that domestic short-haul flights may be subject to rate increases of between 5 and 15 per cent in the coming year, has the minister given any consideration to allowing regional carriers to operate more fully in the area of short-haul operations if they feel they can do a better job than is being done by Air Canada at the present time?

Hon. Jean Marchand (Minister of Transport): The question is more complex than it might appear. Most of the regional carriers are anxious to abandon short-haul flights.

An hon. Member: No.

Mr. Marchand (Langelier): Don't say "No", because it is "Yes". They do not make money on them and they are much more interested at this moment in flying south with charter planes than in operating short-haul flights. However, I shall inquire into this. I do not know where the hon. member got his information but I will read what Mr. Pratt said and try to understand what he has in mind.

* * *

TRANSPORT

FREIGHT RATE INCREASES IN WESTERN CANADA—GOVERNMENT ACTION TO COUNTERACT—REQUEST FOR POLICY STATEMENT

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is directed to the Minister of Transport. The railways have increased their freight rates on certain products by 30 per cent since the Western Economic Opportunities Conference took place, at which time the federal government expressed support for a policy favouring the rapid growth of secondary industry and, more particularly, the processing of western Canadian resources. I wonder whether the hon. gentleman feels these increases in freight rates are in keeping with the spirit of that conference. Is he about to come up with a policy which will give effect to the views which were put forward on behalf of the government on that occasion?

Hon. Jean Marchand (Minister of Transport): This is, of course, a general question and it should really be answered in the course of a debate on the Transportation Act of 1967. The hon. member talks about the movement of natural resource products. He knows this comes under what we call agreed rates between the producers and the railways. If the shippers and the railways agree on certain rates, they are free to do so under the law as it stands.

Mr. Korchinski: A supplementary question to the Prime Minister. Certain reclassification procedures and changes in the freight rate structure in Western Canada have meant an increase of 500 per cent in the rates charged on certain commodities. I would remind the House that at the Western Economic Conference the Prime Minister expressed deep concern that "so many gifted individual Westerners could feel so much discontent with their present and future prospects." He went on to say that the government has an obvious duty to identify the sources of frustration and to act to overcome them. I ask the Prime Minister whether he does not feel that ample time has now elapsed since that conference for positive action, and does he not think he should take it upon himself, if the Minister of Transport does not come up with a policy now, to remove the Minister of Transport and appoint someone who will bring in a policy?

● (1200)

Mr. Speaker: Order, please.

Mr. Korchinski: I believe the Prime Minister has an obligation to the country to answer the question.

Mr. Speaker: Order, please.

[Mr. Marchand (Langelier).]

[*Translation*]

INDUSTRY

TEXTILES—DATE OF REPORT OF TEXTILE AND CLOTHING BOARD

Mr. Louis Duclos (Montmorency): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce, I will direct my question to his parliamentary secretary.

Owing to the serious difficulties now encountered by the textile industry throughout Canada, especially in Quebec, could the parliamentary secretary advise the House whether the studies undertaken by the Textile and Clothing Board to determine the causes of the problems undermining that industry which employs 100,000 workers in Canada have been completed and, if so, when the minister will make public the reports of that board?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, a report has been received from the Textile and Clothing Board. The minister and his officials are now analyzing it and when they are through the minister will make a statement.

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[*English*]

FINANCE

MINISTERIAL RESPONSIBILITY FOR REDUCTION IN ALLOTMENT OF FUNDS TO HOUSING

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Finance. In view of the low number of housing starts for the month of January—175,000 on a seasonally adjusted basis compared to the target of 210,000 that the minister speaks of—and in view of the government's housing priorities, which mean a drastic cut in the construction of housing for senior citizens and low income families, I should like to ask the Minister of Finance whether the decision with regard to the cut in housing construction was a decision of the Minister of Finance or the Minister of State for Urban Affairs. If it was the decision of the Minister of Finance, would he explain his reason for the decision?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I really do not know to which decision the hon. gentleman is referring. I can say only that there is legislation before the House with which we intend to deal as soon as the income tax bill is finished, which will allow us to meet the target that the Minister of State for Urban Affairs and I have set before the House.

Mr. Gilbert: A supplementary question, Mr. Speaker. Perhaps I could advise the Minister of Finance that the public housing estimates for Ontario have been cut from $78 million to $50.4 million, in co-operative housing from $65 million to $55.8 million, and in land assembly from $55 million to $35 million, which constitute drastic cuts. Is the Minister of Finance responsible for that decision and, if so, why?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that is a flattering assumption but I should like to check it out.

AIRPORTS

PICKERING—STATUS OF HOUSES SLATED FOR DEMOLITION AND ALTERNATIVE PLANS FOR OCCUPANTS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my supplementary has to do with housing, but it is supplementary to earlier questions directed to the Minister of Transport with regard to Pickering. Under the original proposal a great many houses in the Pickering area were slated for demolition. Given yesterday's announcement, would the minister say what is the present status of these houses? Are they still slated for demolition and if so, what alternative plans are being made for the occupants?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think this question is a matter for the Minister of Public Works who is in charge of expropriation, so perhaps he would answer the question.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, I would be pleased to have the Minister of Public Works answer it.

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I would ask the hon. lady to repeat the question.

Miss MacDonald (Kingston and the Islands): Mr. Speaker, I was referring to the earlier questions regarding Pickering airport. Under the original proposal a great many houses in the Pickering area were slated for demolition. Given yesterday's announcement, what is the present status of these houses? Are they still slated for demolition and, if so, what alternative plans are being made for the occupants?

Mr. Drury: Mr. Speaker, I will have to take that question as notice; I regret to say I am not sure to which houses the hon. lady is making reference. It is intended to proceed with the expropriation plans as filed. There will be no change in either the area to be expropriated or in the type of compensation offered.

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FISHERIES

LOCKEPORT, NOVA SCOTIA—DESTRUCTION OF BUILDINGS BY FIRE AND CLOSURE OF FISH PLANT—GOVERNMENT ACTION TO ASSIST COMMUNITY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I am not certain whether I should direct my question to the Minister of State (Fisheries) or to the Minister of Regional Economic Expansion, but I direct it to the Minister of State (Fisheries) and I hope the Minister of Regional Economic Expansion is listening. A recent fire destroyed six buildings in the town of Lockeport, Nova Scotia, while at the same time one of the leading fish plants in the town was forced to close. Is the minister aware of this situation and, if so, are any efforts being made to assist these people during this serious period of economic hardship? Have any representations been made to the minister by the provincial government in Nova Scotia seeking provincial aid to cover this disaster?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I am very much aware of this problem. I have discussed it with officials from the Nova Scotia government and we are doing everything we can from our point of view to help find a solution.

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POST OFFICE

CONTINUATION OF STRIKE AT TORONTO—GOVERNMENT ACTION TO SETTLE—CONTINGENCY PLANS TO ASSURE DELIVERY OF OLD AGE PENSION CHEQUES

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Now that mail is being cleared through the Montreal office, and in view of the assurance that mail would be going forward in the Toronto office as at midnight last night, would the hon. gentleman inform the House whether the further delay and continuation of the strike in Toronto is related to the ideological conflict to which he referred on February 17 and, if so, what action is he taking to deal with this growing aggravation?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, as is usually the case in a legal strike, there is a certain amount of confusion in the first couple of days. As the hon. gentleman has quite properly pointed out, picketing in most areas is very peaceful. The couriers are obviously not crossing the line for philosophical reasons, though women sorters are quite prepared to cross. We have an obligation to run the post office. As long as the picket lines are peaceful, we will have to find truck drivers who have the courage to cross a picket line. With regard to those who resort to violence and vandalism, the law will be used to the utmost to weed these people out of the post office, because they are not representative of the average postal worker.

In so far as the cheques for senior citizens are concerned, the unions are now working very closely with postal authorities to make sure that no impediment is placed in the way of an orderly delivery of cheques to people who are the innocent victims of labour disputes. In the case of the hon. member for Churchill, if he finds it too onerous to go from door to door and needs a jet, perhaps he will take advantage of the gymnasium in the Confederation Building to get in shape.

● (1210)

Mr. Dinsdale: Mr. Speaker, now that it is understood that the strike in Toronto is continuing into the weekend, which makes the flow of cheques critical, I wonder whether the Postmaster General could be more specific in outlining emergency plans for distribution of these cheques than he was in respect of the tongue-in-cheek proposal he made to the hon. member for Kingston and the Islands and to the hon. member for Churchill?

Mr. Mackasey: Mr. Speaker, the point I was making to the hon. member for Kingston and the Islands was a serious one. If we cannot deliver senior citizens' cheques by mail, and the unfortunate part of this situation is that senior citizens are becoming very concerned and abnor-

mally worried about whether they are going to get their cheques, let me assure the hon. member that they will get them. If there is any danger that the cheques will not be delivered by mail, we will place them at appropriate depots in various constituencies. There are certain senior citizens who, for physical reasons, cannot travel to those locations, and my suggestion was that in those cases we would be glad to deliver those cheques through local service agencies and, hopefully, civic-minded members of parliament.

Mr. Smith (Churchill): Mr. Speaker, I, too, rise on a point of order. I have been sitting here for the last four months observing the performance, especially of the Postmaster General, and although I am an auctioneer, a fairly good one I think, I doubt very much if I could even get an opening bid if he were put on the auction block.

Some hon. Members: Oh, oh!

Mr. Nowlan: Mr. Speaker, I am not going to get into the auction business, but I am going to raise a point of order that certainly affects my privileges, and one about which I am getting very irritated.

An hon. Member: You are always irritated.

Mr. Nowlan: Yes, I am. I have been sitting here for a week trying to ask a question of the Solicitor General (Mr. Allmand) on a matter which broke about this time last week, or at least it was in the newspapers last Friday. The Solicitor General, unfortunately, was not here on Monday or on Wednesday, on which occasions I did not move out of my seat, but on Tuesday, Thursday and today I have tried to catch Your Honour's eye. I do not know whether the story could still be considered relevant, but I think it is. The Solicitor General did stay in the House today, I think hoping that at least one member would be recognized in order to ask a question on this subject.

With all due respect to Your Honour, I cannot for the life of me understand how you can recognize hon. members in front of me, to the right of me, to the left of me and behind me—some hon. members have not only been recognized once but twice in the last week, and my seatmate was recognized once yesterday in absentia—yet when I was standing at the same time Your Honour could not recognize me. Perhaps Your Honour has forgotten the name of the riding I have the honour to represent. I say to Your Honour that many things have happened in this last month in relation to the decorum and rules of this House which are starting to irritate me. As far as the question period is concerned, aside from any criticism about whether the opposition is handling the question period properly, I believe the question period has been effectively gutted.

I should like to ask, as I almost did yesterday when we were discussing the business of the House, either through Your Honour or directly through the House leader, that Order No. 10 under Government Business, which has to do with the procedures of this House, be referred to the Committee on Procedure and Organization. Then, perhaps this charade, farce or, as far as I am concerned, completely irrelevant question period, can be restored to a meaningful thing and we can get some drive or momentum back into it.

I have other points I could mention that reflect upon the Chair, but I am not going to get into them today.

Some hon. Members: Oh, oh!

Mr. Nowlan: In the ruling you made on Friday last, you said that the House was the master of its own rules, referring to the flood of Créditiste motions under Standing Order 43, yet on Wednesday when we were back on another motion under Standing Order 43 we were unable to discuss it because of procedure; there seems to be a contradiction that must be straightened out. There also have been some other ad hoc decisions which I think have to be straightened out.

The sooner we refer this question of procedure to the committee, the sooner the irritation felt by a number of members on this side of the House can be corrected, and Your Honour can again continue to be the conscience of this House. Quite frankly, as far as I am concerned, my conscience is no part of the collective conscience of the Chair.

Some hon. Members: Shame, shame!

Mr. Speaker: Having regard to the question of privilege or point of order raised by the hon. member, let me say that, as the hon. member will have observed today, the question period should have concluded at about two minutes past 12, but knowing there were several members who sought an opportunity to pose their questions this week I deliberately extended the question period some 10 minutes in an attempt to accommodate as many of those members as possible. The hon. member for Annapolis Valley (Mr. Nowlan), whose constituency and parliamentary performance I know and understand very well, is one of those who was unable to be recognized today or yesterday. He joins a number of others I could name, if he wishes me to expose the names, as I have kept a careful record during the last several weeks. The list includes his colleagues sitting in front of him, behind him and beside him.

There is simply a physical limitation to the number of members I am able to recognize in any question period. I deeply regret that the hon. member takes so seriously the fact that he was among those not recognized. He must surely understand that he joins several of his colleagues each day in that category, and this is as much a source of regret to me as it is to him.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order arising out of the discussion that has just taken place. Perhaps the House would be willing now to pass, without debate, the item of government business which is No. 10 on the Order Paper under Government Business, allowing that committee to get on with its job.

Mr. Sharp: Mr. Speaker, I offered to do this the other day. I do agree with the hon. member that it is time that committee of the House had a look at our rules. For instance, there are many of them dealing with supply and so on that deserve consideration, so I would be very happy, speaking on behalf of members on this side of the House, if we could pass that item now without debate.

Mr. Baldwin: Mr. Speaker, I am quite sure we would be prepared to accept this suggestion, but I would offer this caution. I have had some discussions with the government House leader, the hon. member for Winnipeg North Centre (Mr. Knowles) and others in respect of an interim procedure by which we could deal with supply, as this has become an exceedingly sore spot in the operations of this Chamber. There have been some suggestions made as to how we could impose an interim measure to deal with at least those estimates now before the House.

In agreeing to this suggestion, it will be understood that these discussions will continue and that probably we will work out some new method of dealing with at least the current estimates. If the government House leader is prepared to indicate his acceptance, I am sure we are prepared to let the order pass now.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

PROCEDURE AND ORGANIZATION

ORDER OF REFERENCE OF STANDING COMMITTEE

Hon. Mitchell Sharp (President of the Privy Council) moved:

That the Standing Committee on Procedure and Organization be authorized to consider the Standing Orders of the House and procedure in both the House and its committees;

And that the Committee be authorized to include in its reports drafts of proposed permanent or temporary Standing Orders drawn to give effect, if concurred in by the House, to any permanent or temporary change or changes proposed by the Committee.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

● (1220)

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

The House resumed, from Wednesday, February 19, consideration in committee of Bill C-49, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. Penner in the chair.

The Deputy Chairman: When the committee rose on Wednesday, February 19, 1975, clause 73 as amended had been carried. Shall clause 74 carry?

On clause 74.

Mr. Paproski: Mr. Chairman, our financial critic has something to say in regard to this clause. We would like it to stand until he is in the chamber. We extended the minister the courtesy of sufficient time to bring in a table and we did not think it could be set up in so short a time.

Mr. Turner (Ottawa-Carleton): Perhaps we could stand the clause for a moment, but how many more do hon. members want to stand? The government is ready to roll.

Some hon. Members: Oh, oh!

The Deputy Chairman: Shall clause 74 stand?

Some hon. Members: Agreed.

Clause stood.

Clause 75 agreed to.

On clause 76.

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Chairman, we realize the government is ready to roll but we are not sure in what direction, whether it is sideways, forward or backward. I had trouble with my earpiece and I want to ask what clause we are dealing with.

The Deputy Chairman: Clause 74 has been stood. Clause 75 has been carried and the committee is now on clause 76.

Mr. Munro (Esquimalt-Saanich): I think this would be the time to bring forward the suggestion I made when we were discussing clause 2 with relation to special dispensations for elderly persons, and to make a correction which friendly members, happily, made for me at the time because I was unable to do so. I had in mind a ceiling on the total exemption on income taxes for persons over 65, a ceiling which I think could be worked out conveniently at $20,000 to $25,000. I was not thinking of an exemption for people with unlimited incomes when entering retirement. I wonder whether the minister has had an opportunity to re-examine this motion of granting broader exemptions to persons over 65. The argument we were employing at the time—which I think is valid—was that far too much of the government's revenue from public funds is being taken from elderly persons in the form of income tax.

Some of our provident workers have managed to put aside revenue, depriving themselves in their working years of some of the benefits of that revenue in the hope that they would be able to take advantage of it when the time came for retirement. They were not free to travel in their working years, and now they are free to travel, or they may have special calls on their income. Some of them may have special calls for medical purposes and if they were to cash in some of their savings, those savings would be subject to capital gains tax.

I think we have here an opportunity to provide for the elderly members of our community additional funds without the government making any outlay. It would mean reduced revenue for the government but not an outlay. We have been charged by the other side of the House with talking from two sides of our mouths, saying that we want restraint on government spending, on one hand, and that the government should pay out more for this, that and the

other service, on the other hand. We offered the government a means of restraint today and yesterday with respect to the Pickering airport. We have offered them a means of saving $300 million. The government is not interested in that sort of restraint, so I am offering another one—not an outlay but a reduction of revenue from a very special class of people who have saved.

My other argument for putting forward this notion is that it would encourage the ethic of saving, which is a very valuable trait but somehow has fallen into disuse. Has the minister had an opportunity to consider, since I first put forward the notion, extending more benefits to people over 65; in fact, exempting them from income tax and all other taxes?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the revenue consequences of the hon. member's suggestion, with so many people over 65 in this country, would be quite considerable. I would call to the hon. member's attention the supplementary information issued on budget night, on page 17, which indicates what we have done, particularly over the last three years, for elderly people. As a result of the measures announced in the budget, a taxpayer 65 years of age or over may have as much as $8,258 of income before paying any federal tax at all in 1975.

Mr. Munro (Esquimalt-Saanich): Make it more.

Mr. Turner (Ottawa-Carleton): This figure assumes a married couple, each in receipt of old age security payments of $1,441 in 1975; one spouse also has some pension income as well as some investment income. The figure of $8,258 is determined as follows: basic exemptions, $1,878; net spouse's exemption, $537; age exemption, $1,174; spouse's age exemption, $1,174; interest dividend deduction, $1,000; pension deduction, $1,000; standard medical and charitable deduction, $100—total, $6,863—exempt equivalent of tax cut, $1,395: for a grand total of $8,258. We have moved a great deal in the last two or three years to raise the taxable income up to which elderly people are exempt.

Mr. Munro (Esquimalt-Saanich): I thank the minister for that clarification. This is a step for which he and the government are to be commended. However, I suggest that more can be done for persons 65 and over. The tabulation, of course, is an oversimplification because it presumes that both the husband and wife are over 65, but it sometimes happens that one is 65 and the other is perhaps 60. I think the breadwinner at that age has to face—in fact, they both have to face—extra charges in terms of trying to maintain their home in habitable condition, which is a very high cost these days.

I hope the minister will for a number of years be capable of carrying out home repairs if they need to be done. But when he gets to age 65 he may find he is unable to climb a ladder to fix a hole in the roof, or to do some other things around the house. It is this sort of thing that our elderly are faced with, and they should be allowed to retain the income they have set aside for those special years in order to meet these charges.

[Mr. Munro (Esquimalt-Saanich).]

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I want to remind both the Minister of Finance and the hon. member for Esquimalt-Saanich that all this talk about what has been done to exempt elderly persons from income tax is of no help to those who do not receive enough income to be on the income tax rolls. The minister knows I am going to say this, but I say to him again that as a member of the cabinet, if he is concerned for elderly people he should be pushing for a very substantial boost in the basic amount of the old age pension.

Clause agreed to.

Mr. Paproski: Mr. Chairman, may we go back to clause 74 in order that it may be agreed to, thus dealing with matters in a more efficient manner and allowing the minister to continue?

Mr. Turner (Ottawa-Carleton): I remember that the hon. member used to be a "take charge" guy on the field, and now he is a "take charge" guy in the House.

The Deputy Chairman: Is it agreed that we return to clause 74?

Some hon. Members: Agreed.

Clause 74 agreed to.

On clause 77.

Mr. Stevens: Mr. Chairman, I have an amendment I would like to move with respect to clause 77. I move:

That subclause 77(2) of the bill be amended by striking out the figure "8" where the same appears in line 10 at page 195 and substituting therefor the figure "13".

I do not intend to make a lengthy speech on this amendment. I would only point out to members who are here that this is certainly not a typographical amendment such as the minister is proposing. My amendment would mean a tax reduction for the Canadian taxpayer of $500 million.

● (1230)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I wonder whether the House has not already dealt with this 5 per cent tax cut in the amendment at second reading and, if the House has so dealt with it, whether the same issue can again be presented. I would argue and submit to Your Honour that the amendment is not in order for that reason, having been previously dealt with by the House on the same bill.

Mr. Baker (Grenville-Carleton): Mr. Chairman, this issue is too important to be subject to what I can only term specious legal argument. Because the minister has chosen to take this position with regard to the matter, let me say that the House of course dealt with it. However, the House did not deal with it in the terms of a clause of a particular bill such as is now before the committee. Although the outcome and the question could be the same, the procedures are different.

The committee should not be fettered, particularly in view of the fact that this bill will be reported back to the House, where it will again be dealt with by the House. I know of no precedent, and the minister has advanced none, with regard to this matter. My respectful submission

is that it would have to be an absolutely clearcut decision, without any grey areas, if there were a precedent that would put the committee in the position where it could not debate and decide an issue that is so important to the people of this country in terms of tax relief. I cannot conceive that the rules were ever considered to be used in a way that would deny discussion by the members of a committee with regard to a matter of such importance.

Mr. Baldwin: Mr. Chairman, I wish to supplement briefly what the hon. member has just said. If Your Honour were to give effect to the argument of the Minister of Finance—I think he presented it with tongue in cheek—it would mean that if on second reading of a bill the question was put, the House voted in favour of second reading and the bill was sent to committee, each and every clause in the bill could not be the subject of attack by the committee. That would be a preposterous situation. The committee is certainly entitled to examine with care each clause and decide whether it wants to accept it or change it.

I would point out to the Chair that under the new procedure which has been adopted in the reverse of this situation time after time in standing committees, votes are taken on individual clauses of a bill and the government may be sustained, as it is from time to time, but that does not prohibit our coming back into the House at report stage and moving an amendment in precisely the same terms. Surely that is of some significance. There must be some relationship. If we can do it in one instance, we should be entitled to do it in another. It would be a very grave injustice to deny this committee the right to express its views on the amendment put by my hon. friend.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I support the position just taken by the hon. member for Peace River. It is good to have him back.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The amendment moved by the hon. member for Northumberland-Durham on February 6 was an amendment on second reading of the bill. It was in these words:

—this House declines to give second reading to Bill C-49 because it fails to provide for a further 5 per cent reduction in personal income tax in 1975 and subsequent taxation years despite unprecedented government revenues and the resulting overtaxation by the government.

That was recognized as a reasoned amendment. Thus, it was not an amendment to the bill itself. The House expressed its opinion at that time on the question of whether we should proceed with second reading with or without that change. I do not see where that governs the proceedings of the House from that point on. As a matter of fact, we are not now in the House; we are in committee of the whole.

As Your Honour knows, many times a bill is sent to a standing committee and something that has been argued for and defeated on the floor of the House is nevertheless moved as an amendment in the standing committee. If there were any question about the right of a private member to move a reduction in taxation, that would be a different point. However, it has been pretty well established over the last several years that although private members cannot move an increase in taxation, they can move for a reduction in taxation. Therefore, I think Your Honour should disregard the argument proposed by the Minister of Finance and allow this amendment as being in order.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, because of the importance of this matter, Your Honour may want to reserve decision on the admissibility of this particular amendment. I can say that if Your Honour were to see fit to admit it at this time, I doubt very much that we would make much progress for the rest of the day.

● (1240)

An hon. Member: He is threatening a filibuster.

Mr. Stevens: Mr. Speaker, as the mover of this motion may I say that I hope you will put the question. We believe there is something very fundamental at stake here. My amendment would mean from $60 to $150 for each taxpayer in this country. The minister is simply stalling for time rather than allowing us to go to a vote.

Some hon. Members: Question.

The Deputy Chairman: Order, please. If there are no further comments on the point of order, the Chair is prepared to make a ruling at this time. I thank hon. members for the contributions they have made. The point raised by the Minister of Finance has been fully taken into consideration. It is quite correct, as he suggests, that the substance of the second reading amendment and this amendment at committee stage are similar. There is a different aspect, however, because of the stage at which the bill is now being considered. The vote taken at second reading stage was on the principle of the bill, that principle being stated in general terms. Now, in committee stage, we are considering items specifically in the clause by clause study and therefore the committee has the right to consider again a particular clause of the bill.

For the information of the hon. member, the Chair has been guided in this regard by May's eighteenth edition which at page 483 reads:

The various stages through which a bill progresses . . . are intended by the practice of parliament to provide so many opportunities not only for consideration, but also for reconsideration. Such stages may be taken to include the passage of any necessary financial resolution. Thus an entire bill may be regarded as one question which is not settled until it is passed. And hence no objection can be taken to an amendment on any particular stage on the ground that it raises again a question decided on an earlier stage.

Is the committee ready for the question?

Some hon. Members: Question.

The Deputy Chairman: Shall the amendment to clause 77(2) carry?

Amendment (Mr. Stevens) negatived; Yeas, 37; nays, 50.

The Deputy Chairman: I declare the amendment lost.

Mr. Hogan: Mr. Chairman—

The Deputy Chairman: Shall clause 77 carry?

Some hon. Members: Carried.

Mr. Hogan: Mr. Chairman.

The Deputy Chairman: The hon. member for Cape Breton-East Richmond.

Mr. Hogan: Mr. Chairman, as I understand this clause, it is concerned with the 1974 floor of $150 and ceiling of $550, and the 1975 floor of $200 and ceiling of $750. I want to ask the minister why he does not at this time grant deeper tax cuts, in view of the fact that the tax cuts that were suggested by him in the November budget, and which we are debating in this clause, are now too small in view of the increased unemployment since the November budget. The current rate of unemployment, unadjusted, is 8.6 per cent and the next set of figures from Statistics Canada will probably show an unemployment rate of 9 per cent, unadjusted, and close to 7 percent adjusted. This means that the recession facing the Canadian people will probably be the most severe of all the post-war recessions, even including the one in 1958.

We, of course, recognize that with the current rate of inflation in Canada running at about 12 per cent, this makes the problem all the more difficult; but the Minister of Finance has time and again disavowed the Liberal policy of 1971 which saw the deliberate creation of unemployment to correct the increase in price levels. He says that he does not want this to occur again and this is why the budget, from an expenditure point of view and with the tax reductions, is considered by him to be a stimulus. But surely he should see that in the changing economic situation the stimulus, especially in terms of the tax cuts, is too moderate if he really wants to avoid unemployment figures of 9 per cent, unadjusted, or 7 per cent adjusted.

Why does the minister not come in at this time with a higher minimum tax reduction and a lower maximum tax reduction? Would he not agree that would be a better way to put needed income into the lower and middle income groups? Was that not his idea in giving tax cuts in the first place, that is, to give more, proportionately, to the lower income groups who in the parlance of the economists have a higher marginal propensity to consume? This would result in a greater multiplier effect on income and output in the economy.

It seems strange that this budget puts so much stress on saving and that some opposition members are putting so much emphasis on it in the hope that it will turn into fruitful investment. The fact is that when you have unemployment levels as they are now, and growing, there is a great deal of undercapacity in the economy, and in the short run too much savings would increase the slowdown in the economy at lower employment output and income levels.

We need emphasis on production, as the minister has so often said, and we need it more now to compensate for the growing unemployment. If more income is made available to the lower income classes, then the multiplier effect will ultimately mean that business firms increasing their sales will invest more in inventories and ultimately in real capital goods. That will increase the employment of people and thus increase output and income. The minister knows that his November forecast of the creation of 225,000 jobs in 1975, as against the 390,000 created in 1974, was based on the assumption of a 4 per cent real growth rate. But the minister knows very clearly now that there is going to be no 4 per cent increase and he will do damn well if the economy grows, in real terms, at 1 per cent or 2 per cent at the most.

● (1250)

I want to ask the minister, as of this date in February, rather than the date of the November budget, how many new jobs he is forecasting. Is the minister now prepared to acknowledge that unemployment in Canada is growing faster than he anticipated in November, or is this a repetition of a "planned unemployment" policy to fight inflation? Is he waiting for the United States government to correct our unemployment problems for us?

The minister has been saying that he does not want to amend this clause until he sees whether the American policies are going to work, or until he sees how the tax cuts presently proposed will affect our economy. But is this not also an admission that he is prepared to see an increase of unemployment occur in the next several months and for the rest of the year in this country? Indeed, is this not "planned unemployment" by the minister? Surely he knows that even when the tax bills get past the American congress, it will be at least six months before they will show their effects on that economy because of time and technical lags.

If the minister were truly concerned for the unemployed, would he not take steps to cut taxes more deeply, to offer rebates, increase personal tax exemptions and reduce the tax liability of the working poor of this country? By refusing to do this, coupled with a refusal to offer an adequate guaranteed annual income, is he not just reinforcing the tendency toward unequal distribution of income in this country? In a society with incomes unequally distributed, as they are in Canada, it is important that any generalized tax cut be given to those whose propensity to consume means that the purchasing power is put back into the economy, otherwise it will be stored away in savings, and we must remember that personal savings grew last year by almost 8 per cent. While failing to give adequate tax cuts to the lower income groups, he adds to the inequality in income distribution and defeats the goals of a tax reduction designed to bolster a sagging economy.

The minister seems to be accepting the notion that unemployment is not as painful now as it was in the past because of such things as unemployment insurance. Newspapermen often make this point and say that we have in Canada an unemployment insurance scheme second to none. It is true that our unemployment insurance plan has improved, and we are grateful to the minister presently in charge of the postal services for his fight on behalf of the unemployed in this connection, but I believe the benefits now being paid to the unemployed both in France and in Germany are a vast improvement on those available under our own scheme.

Relatively speaking, when a person is unemployed, even with unemployment insurance he or she is still falling behind in their standard of living. There are others who argue that because unemployment affects women workers and more youthful members of the labour force to a larger extent than the primary breadwinner, this decreases the severity of being unemployed. But is it not clear that today it is family income that counts, and that we do a

grave injustice to women in the labour force as well as to the younger workers by taking this stand? This notion usually comes from those who have never faced the personal loss of a job with all its insecurity in financial and emotional terms.

A superficial way of estimating the cost of unemployment is to consider the money paid out in unemployment benefits and welfare. But the more serious economic effect is the enormous waste, as many goods that could have been produced are not. Tax revenues go down as federal and provincial governments are deprived of their share of the workers' income and there is often a loss of corporation taxes associated with the decline. The real tragedy, as we know, is in human and psychological terms affecting people who no longer are wanted to fulfil a customary productive role in society. The deeper the recession—and this is likely to be a deep recession—the more serious the emotional and financial scars suffered by the unwanted. It is also true, as many studies of the behaviour of the labour force in times of recession show, that discouraged workers drop out of the labour force entirely. Unemployment figures do not reveal the serious under-utilization of the human beings in the economy.

Mr. Chairman, in my opinion, as we debate this clause we face a serious depression which will likely take us longer to come out of than the 1958 one, and may go even deeper as measured by decreases in output and income and increases in unemployment. It is going to be more painful before any improvement will occur. It will be painful for all of us, especially for those who are unemployed and bear the heaviest share of the burden. The recession would end sooner if personal income taxes were cut much deeper, if rebates were provided for those earning lower incomes, and greater exemptions accorded to those at the lower end of the income scale. I ask the minister to act on his humanitarian principles, to do something effective to help the unemployed, and to let us have deeper tax cuts and those other things I have asked for.

The Deputy Chairman: Shall clause 77 carry?

Mr. Nystrom: I wanted to ask a couple of questions, but perhaps we could call it one o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

The Chairman: Order, please. When the committee rose at one o'clock it was considering clause 77. Shall clause 77 carry?

Mr. Nystrom: Mr. Chairman, I indicated at one o'clock that I wanted to ask the minister a couple of questions. Clause 77 provides for individual income tax cuts. I remember that when this idea was first proposed a few years ago, it had a degree of progressiveness to it whereby you had a maximum cut of $500 and a minimum cut of $100, which is now being raised to $150. I think this is a step in the right direction in terms of not leaving it open-ended.

I would ask the minister, as I did last year, whether he has put more thought into the tax credit idea which I think is even more equitable than this. Under this idea, everyone, regardless of income, gets a tax credit of $200, $400 or whatever the national budget can stand. Tax credits apply not only to those who pay income tax but to those not even on the tax rolls, the poor people who do not pay taxes now, as the tax laws are presently constituted. I wonder whether the minister would respond to this question and let me know his latest thinking and philosophy in regard to a genuine tax credit.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the hon. gentleman is quite correct in saying there was a lot more progressiveness in the tax reductions in the last three budgets than has been the case in our history. When it comes to a tax credit, particularly tax credits which really constitute payments to those who ordinarily would not pay taxes because of their income level, this is contingent upon proposals advanced by my colleague the Minister of National Health and Welfare. Where I stand, he stands; and where he stands, I stand.

Mr. Hogan: Mr. Chairman, I wonder whether the minister would answer the questions I put to him, including why, in view of the changing circumstances, he is reluctant to make any change in his budget. It is obvious that unemployment in this country has increased immensely, as I have mentioned. Personally, I am not satisfied with the answers he has given the committee and would like him to go into a little more sophistication in explaining his reasoning, or in explaining the advice he has received from his officials. We are facing a serious recession in this country and the minister's proposals will not meet it. He will be forced to bring in a mini-budget, so why not do it now?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I should like to respond with whatever sophistication the hon. gentleman demands of me, but I gave a simple answer in some detail to the committee a week ago yesterday when the Leader of the Opposition put questions to me, firstly about the consensus process of getting moderation in demand from all segments of the economy and, second, concerning the required stimulus necessary at this stage.

I said to him in the committee that there were two aspects that I wanted to look at very carefully. The first was the stimulus that we injected on November 18, which is beginning to take effect as of January 1 by reason of the larger payrolls reflecting the lower tax payments for the 1974 and 1975 tax years. Second, I want to see what the evolving situation is in the United States in relation to the administration and congress and what final mix will take effect. I do not disagree with what the hon. member said before lunch, but I do want to make sure that we have analysed the situation in terms of facts and forecasts. If he would be good enough to review what I said earlier, I said it all then and I really do not have too much to add now.

Mr. Hogan: The minister knows darned well that he is going to have to come back here with a mini-budget within the next month, so why not do it now? Even his

forecasters can tell him how bad the economy is, and it will take six months, based on past historical recessions since the post-war period, for all the measures proposed for the United States economy to take a grip. Why wait to have them correct our situation? Admittedly, our economies are interlocked in a close way, whether we like it or not. But it should be obvious to the minister and his government, if they are sincere in saying they do not want to increase unemployment in this country or cut down price levels, that they will have to do something more significant to assist our lower income groups and help the total economy.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I am not disagreeing with the hon. member's remarks, but perhaps he would be good enough to read what I have said. When he does so, then on balance I do not think he will disagree with it too much. I appreciate his patience; I know the part of the country from which he comes and the problems there. Perhaps if we get this bill out of the way, we can look at any new situation as it comes. I do not accept his assumption that I will necessarily have to come in with a new budget; I have not made up my mind one way or the other as to that. But if he could use his good influence on his colleagues to get this particular measure out of the way, then we could look at any new circumstances afresh.

● (1410)

Mr. Nystrom: Mr. Chairman, I want to lend my support to what the hon. member for Cape Breton-East Richmond has said. I believe we are in one of the most serious economic situations since the 1930s, not just in respect of the unemployment rate but in respect of the inflation rate and the economic recession. We now have some 817,000 people unemployed. Our economy is closely tied to the economy of the United States, and most economists are predicting that the unemployment rate there will soon hit an unprecedented rate of 9 per cent, 9.5 per cent or 10 per cent. If that happens in the United States, it will soon happen here. The minister shakes his head, but historically our unemployment rate has been within 1 per cent or 1.5 per cent of that in the United States.

I urge the minister to give serious consideration to increasing the tax cut. I predict that he will be coming back with a budget in the next two or three months, and if he does not increase the tax cut now I am sure that by then the unemployment statistics will go up and we will be facing an even higher inflationary rate and a worse general situation. What is needed to stimulate the economy is another $1 billion or $2 billion in the hands of the people in the low income bracket.

If these people had the money, they would spend it because they must have the necessities of life such as food and clothing. They will not save these funds, they will spend them, which in turn will stimulate the economy and productivity to the extent of a couple of billion dollars and even more, much of which will come back to all levels of government, federal, provincial and municipal in the form of additional taxes. I strongly urge the minister to seriously consider this because I think that is the right direction in which we should move.

The Chairman: Shall clause 77 carry?

[Mr. Hogan.]

Mr. Orlikow: Mr. Chairman, I wonder if I could direct a question to the minister.

An hon. Member: Shame.

Mr. Orlikow: I do not know why those who have already spoken feel they must object when someone else wants to ask a question.

Mr. Turner (Ottawa-Carleton): Paproski has not said a word.

Mr. Orlikow: Would the minister take a few moments to answer the questions put before the lunch hour by the hon. member for Cape Breton-East Richmond? I think this is important because of the argument put forward, not just in Canada but in the United States, by many economists, not just the chief advisers to Kennedy and Johnson but some who were advisers to President Nixon a few years ago, to the effect that the $20 billion deficit President Ford is proposing is too little and too late to meet the economic difficulties now facing the United States.

Would the minister take some time to compare the situation in Canada with the situation in the United States? I suggest that in his budget proposals of last November and the amendments to the Income Tax Act with which we are now dealing, the minister is essentially proposing to meet the rapid rise in the rate of unemployment in the same way as President Ford in the United States. In the opinion of many expert economists in Canada and the United States, the minister's proposals will have the same disastrous effect in this country as President Ford's proposals and lack of action are likely to have in the United States.

Clause agreed to.

On clause 78.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, it has been brought to our attention that apparently the corporation surtax as provided under section 123.2 would apply to the 10 per cent tax on corporations' mining or petroleum profits, or manufacturing and processing profits which are allocated to the Northwest Territories. This result is not the intended policy. This tax in respect of the provinces must be excluded from the surtax, but evidently we are putting a heavier burden on the territories than on the rest of the country. That, taken together with certain technical problems, prompts me to move the following amendment which has already been circulated to members of the committee:

That clause 78 of Bill C-49 be amended

(a) by striking out lines 1 and 2 on page 196 and substituting the following:

'year (determined as if the expression "in a province other than the Northwest Territories or the Yukon Territory" in section 124 was read as "in all the provinces" and determined without reference to this section or section 126)"

(b) by striking out line 11 of the French version on page 196 and substituting the following:

"(ii) l'année d'imposition 1975, 28%, et»

(c) by striking out lines 13 to 15 on page 196 and substituting the following:

"profits from oil or gas wells in Canada for the year,"

(d) by striking out lines 18 and 19 on page 196 and substituting the following:

"resources in Canada for the year,"

(e) by striking out lines 33 to 38 on page 197 and substituting the following:

"taxable production profits from mineral resources in Canada for the year or taxable production profits from oil or gas wells in Canada for the year (in this section"

(f) by striking out line 45 on page 197 and substituting the following:

"case may be, 50% of its taxable income or taxable income earned in Canada, as the case may be;"

(g) by striking out line 52 on page 197 and substituting the following:

"mined under section 123, except where otherwise provided, in respect of"

(h) by striking out lines 2 to 7 on page 198 and substituting the following:

'able" referred to therein was

(A) its taxable income, or

(B) its taxable income earned in Canada,

minus the aggregate of its taxable production profits." '

and

(i) by striking out line 19 on page 198 and substituting the following:

"taxable production profits from oil or"

The Chairman: The committee has heard the amendment. Shall the amendment carry?

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

The Chairman: Shall clause 78 as amended carry?

Mr. Nystrom: Mr. Chairman, I have just one question. The hon. member for Edmonton Centre is concerned that we are asking questions about these clauses. The corporation surtax applies to a whole series of corporations but excludes another series including investment corporations, mortgage investment corporations, mutual fund corporations, deposit insurance corporations, and so on. I should like to ask the minister why so many in this classification are excluded. There are others, but I do not think I should take the time to read them into the record as the minister and hon. members are aware of them.

Mr. Turner (Ottawa-Carleton): The exceptions include mining and petroleum corporations which are dealt with separately, so I think there is no problem there in the hon. member's mind.

Mr. Nystrom: That is why I did not mention them.

Mr. Turner (Ottawa-Carleton): There is no problem for that purpose. The exceptions also include manufacturing and processing corporations which have already received a thrust from this government on other occasions. Although the hon. gentleman may have some qualms about that, this is still not his problem. The other few he has mentioned really are flow-through corporations, or corporations which are really individuals and the tax is imposed at a personal level. We see no reason for imposing an additional tax since the tax is picked up there.

Clause as amended agreed to.

Clause 79 agreed to.

● (1420)

On clause 80.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, previously I tabled an amendment to clause 80. That was on February 10. Now I am tabling a new amendment to this clause and I propose that we not proceed with the earlier amendment. I will give an explanation of this amendment but first I will move it. I do not think there will be too many problems because the amendment is mainly technical. I move:

That clause 80 of Bill C-49 be amended

(a) by striking out lines 19 and 20 on page 200 and substituting the following:

' Part, "taxable production profits from mineral resources in Canada" of a corpora-'

(b) by striking out lines 28 and 29 on page 200 and substituting the following:

"59(2.1) and paragraphs 59(3.2)(b) and (c),"

(c) by striking out line 42 on page 200 and substituting the following:

"operated by it,"

(d) by striking out line 47 on page 200 and substituting the following:

"or its equivalent, and"

(e) by striking out line 48 on page 200 and substituting the following:

"(iii) a rental or royalty, the amount of which is computed by reference to the amount or value of production from a mineral resource in Canada,

exceeds"

(f) by striking out line 27 on page 201 and substituting the following:

"in paragraphs 124.2(1)(a) and (b),"

(g) by striking out line 29 on page 201 and substituting the following:

"amounts deducted under section 65"

(h) by striking out lines 31 and 32 on page 201 and substituting the following:

"sources of income described in any of subparagraphs (b)(i), (ii) and (iii),"

(i) by striking out line 38 on page 201 and substituting the following:

"amounts deductible or deducted, as the case may be, under subsec-"

(j) by striking out line 44 on page 201 and substituting the following:

"any of subparagraphs (b)(i), (ii) and (iii),"

(k) by striking out lines 1 and 2 on page 202 and substituting the following:

"(2) For the purposes of this section, a person who has an interest in"

(l) by striking out lines 16 and 17 on page 202 and substituting the following:

' "taxable production profits from oil or gas wells in Canada" of a corporation for a'

(m) by striking out lines 29 and 30 on page 202 and substituting the following:

"59(2.1) and paragraphs 59(3.2)(b) and (c),"

(n) by striking out lines 36 to 47 on page 202 and substituting the following:

"(i) the production of petroleum, natural gas or related hydrocarbons from oil or gas wells in Canada operated by it, and

(ii) rentals or royalties, the amounts of which are computed by reference to the amount or value of production from oil or gas wells in Canada,

exceeds

(c) the aggregate of its losses for the year from those sources, computed in accordance with this Act, on the assumption that it had during the taxation year no incomes or losses except from those sources, and was"

(o) by striking out line 4 on page 203 and substituting the following:

"(6) and section 29 of the *Income Tax Application*"

(p) by striking out line 12 on page 203 and substituting the following:

"in paragraphs 124.1(1)(a) and (b),"

(q) by striking out line 13 of the French version on page 203 and substituting the following:

"vertu du sous-alinéa 124.1(1)c)(i),"

(r) by striking out line 14 on page 203 and substituting the following:

"amounts deducted under section 65"

(s) by striking out lines 15 to 18 on page 203 and substituting the following:

"for the year as is in respect of sources of income described in subparagraphs (b)(i) and (ii),"

(t) by striking out lines 27 to 29 on page 203 and substituting the following:

"to the sources of income described in subparagraphs (b)(i) and (ii)."

(u) by striking out lines 30 and 31 on page 203 and substituting the following:

Person having an interest deemed to be an operator

"(2) For the purposes of this section, a person who has an interest in the"

Some hon. Members: Explain.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, paragraphs (a), (b), (c) and (d) are technical amendments; paragraph (e) concerns the eligibility of royalties for extra resource abatement. It is a relieving amendment at line 48, page 200, which will enable royalty income to qualify for the extra federal tax abatement. There was a mistake in the abatement clause. The purpose of the extra federal tax abatement is to recognize the special position of the provinces in relation to resources and to give them tax room to levy taxes on resources. However, if some other taxpayer operated such a resource under a royalty arrangement, the extra tax room would not apply to this royalty portion and consequently the tax room would be incomplete. The first amendment will correct this first deficiency. It is not a change in policy but just a change to cover something that we had not properly anticipated.

Paragraphs (f), (g), (h), (i), (j), (k), (l) and (m) are technical amendments. Paragraphs (n), (o), (p), (q), (r), (s), (t) and (u) are all technical amendments, just correcting the language.

Mr. Orlikow: May I ask the minister a question? Does this amendment have anything to do with the differences between the minister and the provincial governments on resource taxes and, if so, has the intent of this amendment been discussed with the provinces and do they agree?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, this amendment increases resource abatement, so I cannot conceive of any province, whether fundamentally it agrees or disagrees with what we are doing, objecting to the amendment.

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

The Chairman: Shall clause 80 as amended carry?

[Mr. Turner (Ottawa-Carleton).]

Mr. Nystrom: I have one brief question. Does this clause in any way relate to the clauses that we are standing? I do not think it does, but if it does perhaps we should consider standing it.

Mr. Turner (Ottawa-Carleton): It deals with resources but really does not get down to the fundamental question of resources. I do not think the hon. gentleman would lose his bargaining position in dealing with resources by allowing this clause to pass.

Mr. Stevens: As this clause deals with mineral resources, I was wondering if the minister would comment on whether he feels there is an interrelationship between this clause and certain of the clauses that we have already stood. I think, in fairness, the understanding was that clauses 4 and 7 would be stood, as would all other clauses related to the general question of the taxation of our mineral and oil resources.

Mr. Turner (Ottawa-Carleton): I said that it is related but it provides only the detailed rules defining taxation profits. It is not a "gusty" clause relating to policy; it is only a clause which defines the rules against which the policies apply and I do not think the committee loses any leverage by passing it.

● (1430)

Mr. Stevens: Mr. Chairman, would the minister, bearing in mind that he has said it is not a particularly "gusty" clause, to use his language, have any objection to standing the clause, in view of the fact that it is interrelated with some of the clauses which we have stood?

Mr. Turner (Ottawa-Carleton): I gather the amendment is carried.

Mr. Stevens: Yes.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I am getting nods from all over the committee. Do I gather the amendment is carried?

The Chairman: Order, please. Is it agreed that clause 80 as amended be stood?

Clause stood.

Clauses 81 and 82 agreed to.

On clause 83.

Mr. Stevens: Mr. Chairman, I have a brief question on clause 81. I am sure the minister has the answer at his fingertips.

An hon. Member: It has been carried.

Mr. Stevens: If hon. members wish to play it that way, all right.

The Chairman: Order, please. We have adopted clause 81 and 82, and procedurally the hon. member must seek the consent of the committee to revert to a clause already agreed to. Would the committee object to the hon. member asking a question on clause 81?

Some hon. Members: Agreed.

Mr. Stevens: Mr. Chairman, I thank hon. members for their accommodation. Could the minister give us any estimate as to the number of companies within this clause which are benefiting at the present time?

Mr. Turner (Ottawa-Carleton): I will undertake to get the information for the hon. gentleman.

The Chairman: We will now return to clause 83.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have a short, technical amendment which I have circulated to the committee. I move:

That clause 83 of Bill C-49 be amended

(a) by striking out lines 2 and 3 on page 210 and substituting the following:

'of the said act following subparagraph

(i) thereof is repealed and the following substituted therefor:

"(ii) was not deductible by virtue of subsection 20(11) in computing the taxpayer's income for the year; and"'

(b) by striking out lines 4 to 6 on page 210 and substituting the following:

"(5) Subparagraphs 126(7)(d)(i) and (ii) of the said act are repealed and the following substituted therefor:

"'(i) in paragraphs (1)(b) and (3)(b), the tax for the taxation year otherwise payable under this part before making any deduction under section 121, subsection 124(2) or (2.2)

or any of sections 125 to 127,

(ii) in subparagraph (2)(c)(i) and'

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

Clause as amended agreed to.

Clause 84 agreed to.

On clause 85.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have circulated an amendment, which I move:

That clause 85 of Bill C-49 be amended by striking out line 37 on page 211 and substituting the following:

"1977 and subsequent taxation years and"

This is a relieving amendment to ensure that the resource tax changes do not inadvertently reduce the tax credit available under the existing law.

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

Clause as amended agreed to.

Clauses 86 to 91 inclusive agreed to.

On clause 92.

Mr. Turner (Ottawa-Carleton): I have a technical amendment to correct the French translation to correspond with the English version. I move:

That clause 92 of the French version of Bill C-49 be amended

(a) by striking out line 47 on page 215 and substituting the following:

"(i) elle tirait la quasi-totalité de»

(b) by striking out line 47 on page 216 and substituting the following:

"(ii) la quasi-totalité de ses mem-»

(c) by striking out line 52 on page 216 and line 1 on page 217 and substituting the following:

"crédit qui, toutes, tiraient la quasi-totalité de leurs revenus des»

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

Mr. Benjamin: Mr. Chairman, I assume this clause is just allowing interest receipts from credit unions and dividends to be classed as interest and qualified for inclusion under the $1,000; is that correct? Second, I would like to know why members will be treated in classes. What is the purpose of this amendment?

Mr. Turner (Ottawa-Carleton): It is not the purpose of this amendment, but the answer to the hon. member's question is yes, interest paid by credit unions to their members is exempt under that first $1,000 of interest income, but this is not the amendment which does it.

Mr. Benjamin: Subclause (2) states that the members will be treated in classes according to the interest rate charged on their borrowings. I am not clear why it is done that way.

Mr. Turner (Ottawa-Carleton): Subclause (2) is a technical amendment which will allow credit unions to deduct from their income interest rebates credited to their own members which are calculated at a rate in relation to the rate of interest on each individual borrowing transaction conducted by the member. Many credit unions are paying interest rebates at a rate in relation to the rate of interest paid. To calculate their own interest rate they rebate to their members on the basis of the interest rate they have to pay themselves. For example, all members who have borrowed money at the rate of 9 per cent may receive a rebate of one-half per cent, and those with loans at 12 per cent may receive a rebate of 1 per cent under the rules of the credit union. Questions have arisen as to whether the present rules enable a credit union to deduct interest rate rebates calculated in relation to the rate of interest paid. This amendment will ensure that deduction of such interest rates is permitted. It was asked for by the Credit Union Association, and this is what we are doing.

● (1440)

Mr. Stevens: Mr. Chairman, clause 92(3)(b)(i) reads:

—it derived all or substantially all of its revenues from—

Then it lists various things, and paragraph (ii) provides:

—all or substantially all of the members thereof—

Could the minister explain why the rather nebulous term "substantially all" is used? Could a more precise percentage not be used in order to identify, for people dealing with this section, exactly what the department has in mind?

Mr. Turner (Ottawa-Carleton): The Department of National Revenue has to estimate whether primarily or substantially all revenues are derived from legitimate sources, that is, sources that qualify under the act. The current act requires that the credit union derive its revenues—"primarily" is the word in the current act—from listed categories of income. The hon. gentleman knows that credit unions normally derive their revenues from a variety of sources, and some from other than those listed in the act. Some of them are even deriving more than half of their revenues from some unlisted sources and therefore do not qualify under the current definition.

The amendment which will be effective for the 1972 and subsequent taxation years will replace the word "primari-

ly" with the words "substantially all". I am advised by the Department of Justice that this is a more inclusive term, and since more sources of income will be inserted all existing credit unions will qualify. Again, this was pointed out to us by the credit unions and we are glad to oblige.

Mr. Stevens: If the term "substantially all" is wider than the term now used, can the minister give us some idea what it means? In clear, everyday language what does the department mean by "substantially all"? Are they talking about 51 per cent or more?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, "primarily" would mean a majority of the revenue; "substantially all" means virtually everything. What it really means is that the new, qualifying categories of income will include, first, revenues from securities or loans of or guaranteed by the Government of Canada or the provinces, a Canadian municipality or agency thereof. I might say that the current act restricts this provision to bonds while excluding those of or guaranteed by government agencies. The provision is to allow the credit union more latitude.

Second, the new category would include revenues from funds or deposits with a bank, a trust company or a central credit union and, third, revenues from charges, fees and dues levied against its members. I think the credit union movement will be given more flexibility under this provision.

Mr. Stevens: What we are saying is that under the present wording the department's interpretation of "primarily all" could have meant something over 50 per cent, whereas now we are coming closer to 100 per cent?

Mr. Turner (Ottawa-Carleton): That is so, but we are also broadening the class.

Mr. Stevens: Could the minister give an indication of the departments's estimate of the total tax benefit to credit unions as a result of the tax accommodation offered to them?

Mr. Turner (Ottawa-Carleton): It is pretty hard to estimate. It depends how well they do in competition with other financial institutions. This puts them in a better competitive position.

Mr. Stevens: Perhaps the minister misunderstood. I am simply referring to the past year, or whatever year he has a relative figure for. Has there ever been an estimate of the tax advantage offered to credit unions as a result of this and similar provisions in the Income Tax Act?

Mr. Turner (Ottawa-Carleton): I must ask, compared to what? It depends on the basis. We could ascertain for the hon. gentleman just what credit unions pay in taxes. The purpose of this amendment is not revenue or loss of revenue; it is to put credit unions in a position to compete with other financial institutions.

Mr. Stevens: The minister asks, compared to what? I mean, compared to how they would be taxed if they were a standard business corporation having to meet the general tax laws that prevail.

[Mr. Turner (Ottawa-Carleton).]

Mr. Turner (Ottawa-Carleton): Because this changes the competition for and the eligibility of funds available to credit unions under the provisions of the law, the answer depends upon how effective credit unions are in taking advantage of it to compete with other institutions. I could not give a solid answer to that question.

Mr. Stevens: Perhaps we are not communicating properly. I am asking, not in particular reference to this amendment but as a general point of information, if the government has any estimate of the tax concession being given to credit unions as a result of the lenient tax provision in the Income Tax Act. What would the tax concession be if they were required to pay the same type of taxes as most business corporations?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we do not have the figures for the current year; the latest years we have for credit union income are 1971-72. The hon. gentleman would have to attach a 50 per cent rate against that and then allocate income sources and make the calculation. We could try to do that for him, but we do not have it at our fingertips.

Mr. Stevens: Would the minister agree to give those figures to the committee?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman, I would agree to do that. I do not know whether I can do it in time to satisfy the committee, but on a later occasion I will do it. This is not a revenue amendment; it is to allow credit unions to compete with other financial institutions.

Clause agreed to.

Clauses 93 and 94 agreed to.

The Chairman: The committee will now proceed to clause 95 with regard to which there is notice of an amendment.

On clause 95.

Mr. Turner (Ottawa-Carleton): We have to correlate the two versions. I therefore move:

That clause 95 of the French version of Bill C-49 be amended by striking out lines 16 to 22 on page 225 and substituting the following:

"*a*) compris dans le même fonds réservé de la corporation;

b) des biens non réservés utilisés dans l'année, ou détenus dans le cadre de l'exploitation d'une entreprise d'assurance-vie au Canada; ou

c) des biens non réservés utilisés dans"

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

The Chairman: Shall clause 95 as amended carry?

Clause as amended agreed to.

Clauses 96 and 97 agreed to.

On clause 98.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have another technical amendment in order to correlate the two versions. I move:

That clause 98 of the French version of Bill C-49 be amended by striking out lines 8 to 16 on page 228 and substituting the following:

"régime de participation des employés aux bénéfices

a) était régie par un régime de participation des employés aux

bénéfices le 31 décembre 1971 et que le fiduciaire a fait le choix prévu au paragraphe (4.1), ou

b) n'était pas régie par un régime de participation des employés aux bénéfices"

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

The Chairman: Shall clause 98 as amended carry?

Clause 98, as amended, agreed to.

Clause 99 agreed to.

● (1450)

On clause 99.

Mr. Nystrom: Mr. Chairman, clause 99 deals with registered retirement savings plans. Has the Department of Finance accumulated statistics on how many people take advantage of registered retirement savings plans and what type of people they are, in terms of income? I am a little concerned about providing a tax loophole for someone who has wealth. Registered retirement savings plans can be written off up to a maximum of $4,000 a year. As hon. members know, most Canadians cannot afford to do that. Members of parliament can write off Canada Pension Plan contributions and parliamentary pension plan contributions which amount to $1,440 this year. They can also invest up to $4,000 in a registered retirement savings plan and write that off. If you total that, it comes to approximately $5,500. Have statistics been compiled with regard to the people who take advantage of these plans, their income brackets, and so on?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, we can get the hon. member some totals. I do not know whether we can get for him the income classes affected. The statistics came in by computer a little late on election night.

Mr. Nystrom: Election night?

Mr. Turner (Ottawa-Carleton): The hon. member's riding result was conclusive too early. I now have an answer for the hon. member for York-Simcoe. There were 92,886 corporations claiming the small business deduction in 1972, the latest year for which figures are available.

Mr. Orlikow: Will the minister explain the purpose of permitting such a high amount to be invested in registered retirement savings plans and used when computing income tax? The limit of $4,000 can only be used by those in the high income bracket. These people would be in the 40 to 50 per cent tax bracket. They are already among the wealthiest people in Canada. These people enjoy the highest standard of living of anybody in this country, yet if I understand this correctly they are permitted to invest up to $4,000 in a retirement plan and not pay any income tax on that amount.

Mr. Munro (Esquimalt-Saanich): It is a calculated risk.

Mr. Orlikow: The hon. member says it is a calculated risk. However, we are talking about people with an income which permits them to afford the risk. If these people were not permitted to deduct this large amount from their income tax, according to my rough calculations they would pay between $1,200 and $2,000 a year. The mass of the Canadian people, the millions who pay no income tax, as well as those in the lower income tax bracket, have no opportunity to make a deduction as a result of this clause. If they do belong to a pension plan of some kind, the contribution is so small that the deduction they are permitted might not amount to more than $100.

This is just one more illustration of the way our tax system operates. In fact, we are not moving any closer to a more equitable society than we have in the past. Without again putting the precise figures on record, the figures which we get each year from Statistics Canada clearly indicate that the percentage of the gross national product which goes to the bottom one-fifth of the income earners of this country has not increased for a quarter of a century. Speaking from memory, the bottom one-fifth of the income earners in this country get something in the neighbourhood of 4 per cent of the gross national product, while the top one-fifth get close to ten times that amount.

The reason for this is our income tax laws. With the kind of Minister of Finance we have, they are constantly being changed. I do not say this is the purpose of this minister and I do not want to impute motives or say he is doing it deliberately; however, the end result of what this Minister of Finance and his predecessors have done is to increase the disparity between the haves and the have-nots in this country. Will the minister explain why he is making this figure so high?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, this amendment does not change the figure. Aside from a few technical amendments, all it does is allow the husband or wife who is the income earning spouse to transfer his or her eligibility to a fund for that spouse. It does not change the income limit at all. The limit is still $4,000.

Mr. Orlikow: Will the minister explain why we have the high figure of $4,000? I am sorry that I do not have the details with me, but I can get them and discuss this matter with the minister later. However, I have been told that a husband who is the income earner could borrow from a bank in December, 1974, for example, put the money into a registered retirement savings plan in the name of his wife, get the tax credit for that, and in 1975 pay back the money, dissolve the plan and still have the tax benefit. I am not sure if I have explained this correctly. Has the attention of the minister or his department been drawn to the type of possibility I have just raised?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the figure of $4,000 was set as a tax reform when the House passed the bill effective January 4, 1972. As I recall from listening to my predecessor, Mr. Benson, you have the deductible pension plans, $2,500 maximum by the employer and $2,500 maximum by the employee, for a total of $5,000. On a registered retirement savings plan for an individual, we put it somewhat below that, at $4,000. There was a correlation. Of course, because of the erosion of the dollar since then, the effective amount of the tax reform has been minimized. In so far as abuse is concerned, we watch that very closely indeed. If there is any abuse of the registered retirement savings plan, we will close the loopholes. We are conscious of that.

Income Tax

[*Translation*]

Mr. Dupras: Mr. Chairman, I should like to put a question to the minister just to check one point.

I should like to know whether, considering the erosion of the dollar the minister mentioned two minutes ago, there is a possibility that this amount of $4,000 might be increased to $5,000?

Mr. Turner (Ottawa-Carleton): You know, Mr. Chairman, indexing may be a contagious concept, but it is not that contagious. Only some exemptions have been indexed, such as the old age security pensions. For the time being, I believe Parliament is willing to fix the amount from time to time through specific amendments brought before the House.

Mr. Dupras: I thank the minister for his explanation.

● (1500)

[*English*]

The Chairman: The hon. member for Kingston and the Islands.

Some hon. Members: Leader! Leader!

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): I should like to address a question to the minister. A number of those who wish to contribute to an RRSP will do so by mail and the deadline for taking advantage of the tax benefits for 1974 is February 28. Because of present postal uncertainties it is doubtful whether some applicants will be able to take advantage of the plan. Would the minister consider extending the deadline so that mail distribution problems will not prevent taxpayers from taking advantage of this concession?

Mr. Turner (Ottawa-Carleton): When the hon. lady refers to mail distribution problems I trust she is spelling the first word "m-a-i-l". I wish to assure her that the welcome we gave her on this side was not an example of patronizing chauvinism. It was to equalize the welcome we gave this morning to the hon. member for Brome-Missisquoi.

Mr. Nowlan: Your turn is coming, John.

An hon. Member: Let's give a cheer for the leader.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I want to say to the committee I probably deserved that! I might tell the hon. member for Annapolis Valley that I shall be in his riding in a few weeks and that I shall have a few things to say about him when I get there. As to the question which was directed to me, I shall take up the matter with my colleague, the Minister of National Revenue. I think the hon. lady has a point.

Mr. Stevens: I have a question dealing with the Registered Retirement Savings Plan. The minister has undoubtedly received letters from those who are experiencing frustration over the circumstances they encounter when they are called upon to take out annuities. A person pays in for a number of years. Then, as he approaches the age of 71, he must shop around to find an insurance company to arrange for the annuity he will draw for the remainder of his life. Some of the people affected are now finding that the annuity is much less than they had anticipated. But they must either withdraw the money and pay the full tax on it or, alternatively, leave it in the hands of an insurance company which, they believe, is unwilling to pay them an equitable annuity.

An Ontario taxpayer raised this question with the minister in a letter written, I believe, on January 24. He says the government of Canada passed a law some years ago under which a worker was allowed to put aside from his earnings a stipulated amount in a retirement savings plan, tax on which was deferred. The writer of the letter went to say that he thought this was a useful proposition, acted accordingly, and has accumulated $12,000. But here is where the plan went sour. He says:

> I have to put it into an annuity before I am 71, next May 3, 1975. I have called for bids from insurance companies and the best bid I got was $128 a month guaranteed for ten years, or, if I live longer than 81, until death. I will draw a total of $1,544 a year. By putting $12,000 in debentures at the going rate I could draw $1,290 a year and still the $12,000 would be intact for any emergency such as prolonged sickness.
>
> I am told my $12,000 would double itself in less than eight years and I would have to live to be 130 to use up all the $12,000 at the going rate of interest. If I draw the money out and invest it in debentures I will have to pay income tax on the $12,000 in one year. The insurance company knows this; that is where the rip-off is. If trust companies could compete the story would be different because of competition.

This man goes on to say he is at a loss to know what to do. May I ask the minister whether he has received complaints of this type and whether he has any advice to give to people in this situation? Has the department considered authorizing some program by which a taxpayer on retirement could obtain the full benefit of the money put aside and not be obliged to go into what he might consider to be an inequitable annuity scheme?

Mr. Turner (Ottawa-Carleton): A retirement savings plan is really related to a pension plan. Since the contributions are deductible the capital amount is taxable, when taken out in a lump sum. The taxpayer can either withdraw it in a lump sum, or he can turn it into an annuity in which case he is only taxable on the annuity receipts. Unless we were to look at the entire pension field we would have to leave RRSPs as they are. We are fully aware of the situation to which the hon. member has referred, and we have received a good deal of correspondence to the same effect as the letter he quoted.

Mr. Stevens: Would it not be possible to allow a person caught in this situation to set up a trust with an appropriate trust company, and operate a self-administered plan under which the money would remain intact while the individual got the benefit of realistic interest rates?

Mr. Turner (Ottawa-Carleton): The concept of a self-administered fund differs, of course, from the concept of a pension fund. That is where we would find ourselves in trouble from an administrative point of view. Without minimizing the situation to which the hon. member has referred, I say again that I cannot cure it unless we look at the whole of the pension field.

Mr. Clarke (Vancouver Quadra): The problem here is one of interest rates. The law requires these Canadians to wind up their plans by the time they reach the age of 71, and since they are effectively precluded from taking advantage of the higher interest rates available I think it is proper to ask that consideration be given to changing this rule. I suggest this could be handled in much the same way as securities are held under the present rules governing Registered Retirement Savings Plans; securities are held by trustees and are not accessible to the individual.

● (1510)

My question to the minister is this: why does he see such a difficulty in having a continuing trustee administer a plan after the age of 71 when all that the taxpayer wants in these instances is income paid out, and the income would be equal to, or in some cases greater than, the income available to him from an annuity?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, perhaps the difficulty which the hon. gentleman reflects is that the RRSP has become, in a lot of people's minds, a private savings plan. It was originally conceived as a pension plan which, instead of being funded jointly by employer and employee, was funded primarily by an individual, though it was oriented toward the pension concept. If we were to revise it, we would have to look at a whole new set of concepts; that is our difficulty. We have really put the plan on the books now as a unilateral pension plan.

Mr. Clarke (Vancouver Quadra): Perhaps I could ask a final question, Mr. Chairman. Does the minister see it in the same way as I and some taxpayers do, and that is that the government, under the present rules, is giving a benefit to the issuers of these annuities and is penalizing the very people whom it sought to serve in the first place by establishing these plans?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, that depends on the interest rates of the day. We will be reviewing the whole pension field, including interest rates and the effect they have on annuities.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise only for a minute. I hope the minister will not say that I am asking him to do something that he has already agreed to do, and that I do not need to repeat my request. In view of what he has just said, I press the point about asking for a review of the position of the pension plan of the International Typographical Union in so far as it affects Canadians who are members of that union.

What prompts me to get to my feet is the minister's statement a moment ago that registered retirement savings plans are, in effect, unilateral plans. The International Typographical Union has that type of plan. Members who are working put money into a fund out of which pensions are paid to those who are retired. There is no employer or anybody else matching the contributions. It seems to me to be unfair that the contributions to that plan are questioned in terms of their deductibility. I thanked the minister the other day for his assurance that he would look into that matter.

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman, and I reiterate it. One of the happiest things that has ever happened to that union is that somehow the hon. gentleman put his thumb in some printer's ink.

Clause agreed to.

On clause 100.

Mr. Turner (Ottawa-Carleton): May I put before the committee the amendment that was circulated to clause 100, which is on pages 243 and 244. I want to correct a typographical error in paragraph (a) and to segregate the registered home ownership savings plan from the educational savings plan. Therefore I move:

That clause 100 of Bill C-49 be amended

(a) by striking out line 15 on page 243 and substituting the following:

"or capital losses other than from the disposition of"

and

(b) by striking out lines 20 to 23 on page 244 and substituting the following:

"and subsequent taxation years."

(3) Section 146.2 of the said Act as enacted by this section is applicable to the 1974 and subsequent taxation years except that in its application to the 1974 taxation year the references therein to "60 days" shall be read as "90 days" and where a contribution is made to a registered home ownership savings plan before April 1, 1975, the plan shall be deemed to have been registered on January 1, 1975 and the contribution shall be deemed to have been made on that date."

This extends the registered home ownership savings plan qualifying date to April 1, 1975, and I will ask my colleague, the Minister of National Revenue, to see what he can do with the RRSP's.

Mr. Paproski: I have one question, Mr. Chairman. In the French text there is reference to 90 days—"90 jours"—whereas in the English text it says 60 days. What is the reason for that?

Mr. Turner (Ottawa-Carleton): There is not doubt, Mr. Chairman, that bilingualism has its advantages. The hon. member is right. It should read quatre-vingts-dix jours en français, as well as "90 days" in the English version. I think the hon. gentleman has displayed a facility that should get him into the leadership battle over there.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Chairman, a moment ago the Minister of Finance made reference to my previous involvement with printer's ink. I was a little surprised that so soon after that he referred to this amendment as correcting a typographical error. I do not see any typographical error there. It is a technical error.

Miss MacDonald (Kingston and the Islands): Mr. Chairman, I should like to direct some questions to the minister regarding RHOSP and to ask for some clarification of the plan itself. I think it has raised a number of questions in the minds of people who would like to take advantage of it.

First of all I should ask how many people living in rented accommodation with their families and who hope to purchase a home—the situation in which many potential home buyers find themselves—will in fact be able to save $1,000 a year so as to take advantage of this plan. The

program seems to offer a number of tax advantages to people already in the higher income tax brackets but does little to improve the position of low income families seeking accommodation. For example, as I understand the bill, a house now held in joint ownership could be transferred to registration solely in, say, the wife's name. The husband could then set up a registered home ownership savings plan in his own name, save up to $10,000 which is tax exempt over a ten year period, and then proceed to buy the house from his wife. She at that point could establish a RHOS plan of her own to buy furnishings or a new house.

In effect this couple has had the advantage of a $20,000 tax saving, perhaps without any house even coming on the market or having actually exchanged hands. If that is the intent of the bill, or if the bill does permit this to take place, it would seem that it militates against those who are not in this preferred financial position at the outset. Would the minister comment on whether or not this is possible?

● (1520)

Mr. Turner (Ottawa-Carleton): We have tried to make this incentive for accommodation as generous as possible, particularly for young couples who have not previously owned a home, and what the hon. member suggests is potentially possible. We have treated husbands and wives as separate people under this legislation, giving the same incentive to the wife as to the husband by treating each spouse equally in allowing transferability, if necessary, between them, and also recognizing that if each spouse works, or is in the labour market, the $1,000 a year maximum applies to each for a total of $2,000. In other words, in terms of equality of status we have reflected it in this particular piece of legislation.

Depending on the income level, it may be that people will be able to deduct up to $200, $250 or $500. This all depends on the income level, a couple's savings plans and priorities. This is a new and revolutionary concept and we will have some teething troubles. We will be watching it very carefully, but we have leaned on the side of generosity to ensure that young people are induced to save for their own accommodation.

Having regard to those who have not got that income potential, my colleague, the Minister of State for Urban Affairs, supported by the Department of Finance, has been given an expanded budget for assistance to home ownership plans, for multi-unit housing, both rental and ownership, and higher leverage incentives to the private sector. We are dealing with both areas at the same time. What we really want to do with this particular measure is help those with income potential by giving them the means, added to by the taxation system, to provide for their own accommodation, or furnishings for their accommodation.

Miss MacDonald (Kingston and the Islands): I thank the minister for his explanation, but I am still not at all sure that the people who are in the greatest need of housing will benefit from either plan. Nevertheless, I should like to ask the minister if he would clarify for us more extensively what he intends to include as furnishings. This could very well become a bone of contention if it is not spelled out very precisely. As I understand it, furnishings are to be listed in the regulations, and I am

[Miss MacDonald (Kingston and the Islands).]

wondering if the items listed will be narrowly defined. Perhaps the minister would give us some idea of the sort of things he has in mind.

When the minister refers to furnishings we realize that he obviously intends that to apply to furniture, carpets, drapes and so on, but does it include such things as linens, dishes, appliances and pianos? Does the minister intend to define this in some meaningful way so that it is perfectly understood what items can be clarified as furnishings for the purpose of the plan?

I would like to go further than that by asking him if he intends to allow items which in some cases might be classified as repairs? For instance, will this plan cover the purchase of a new furnace for an existing home, and will it cover insulation, new wiring and new plumbing? It would seem to me that there is a real need to include these items in the plan. I would suggest that many young couples start out by buying a modest dwelling as a first home, perhaps even an existing dwelling that may need repairs. Would the minister provide some clarification as to whether this kind of repair or renovation will be allowed, because in many cases this could be classified as furnishings. Are these to be included under RHOSP?

Mr. Turner (Ottawa-Carleton): The simple answer to the last part of the question is no, this is not a renovation or repair plan, but a plan to encourage people who have not owned a home to buy or furnish a new home. As to the definition of furnishings, this will be defined by regulation and will include such things as furniture, household appliances, curtains and drapes. I doubt very much if it will cover the utensil field.

These regulations will be published and deposited under the Statutory Instruments Act. They will be available to hon. members at the standing committee which reviews that act. If the hon. member finds that the list is not extensive enough under the definition of furnishings she will have an opportunity to challenge it at that time. I am trying to give her the thrust of the plan, which is really to encourage the purchase of new homes, and furnishings have been put in as an ancillary item. Furnishings will include the major permanent items in a home, but will not go as far as to include utensils.

Miss MacDonald (Kingston and the Islands): As I read this clause of the bill I understand it to apply to purchasers of existing dwellings as well as new homes, but the minister has just referred to new homes. Am I correct in that?

An hon. Member: He said it twice.

Mr. Turner (Ottawa-Carleton): The hon. lady is correct. It is the first purchase of a home, not necessarily a new construction.

Mr. Baker (Grenville-Carleton): It could be the first purchase of a new home?

Mr. Turner (Ottawa-Carleton): In reply to the hon. member for Hamilton West, if I did own a home and I wanted to move to Hamilton and purchase his home and it was for the first time, I would be eligible for the RHOSP.

Mr. Alexander: You couldn't afford it.

Mr. Turner (Ottawa-Carleton): No, I really could not afford to buy the hon. gentleman's home.

Mr. Alexander: You are quite right.

Mr. Clarke (Vancouver Quadra): Mr. Chairman, I realize that I am interrupting my colleague, the hon. member for Kingston and the Islands, but on this very narrow point I heard the minister say is was for the first purchase of a home, but the way I read this legislation it restricts it to one who does not now own a home. He could have previously owned two or three homes, however. Would the minister clarify that point?

Mr. Turner (Ottawa-Carleton): It does not necessarily have to be the first home you have ever owned, but you cannot own a home now if you are going to take advantage of it.

Mr. Munro (Esquimalt-Saanich): Then don't move to Hamilton.

An hon. Member: Why don't you move to Ottawa?

Mr. Brewin: Mr. Chairman, perhaps later if I get the opportunity I should like to deal generally with this Registered Home Ownership Savings Plan, RHOSP, or whatever it is called. For the moment I have a narrow point I should like to raise in relation to the answer the minister has just given to questions posed by my colleagues to the right.

Supposing a person owns a home and decides to convey it to a private company, which perhaps he incorporates himself, so that he is no longer the owner, and in the meantime rents the property from that private ownership, and then decides to buy a new home under this savings plan—could he get away with that, or would the fact that he had owned the house before preclude him?

Mr. Turner (Ottawa-Carleton): I do not know whether the hon. member is still in practice, but all we are talking about is $1,000 exemption. If the hon. member were to play that game by transferring his home to a corporation he might be successful in that game to the extent of the $1,000 a year, but he would lose his principal residence exemption for the tax-free disposition of the home. I really doubt that he would want to move that way.

Mr. Brewin: I would like the minister to answer my question. I think the answer is yes, but my friend says that if I were in practice I might know of some way of getting away with that.

Mr. Turner (Ottawa-Carleton): That is not what I said.

● (1530)

Mr. Brewin: I do not happen ever to practise in that particular way, but I still want to know whether, so far as this tax is concerned, he qualifies if he has disposed of it to a corporation.

Mr. Guay (St. Boniface): What you need is a lawyer.

Mr. Turner (Ottawa-Carleton): What the hon. member says is possible, but he would lose his principal residence exemption for capital gains. I doubt whether it would be worthwhile for him.

Miss MacDonald (Kingston and the Islands): Mr. Chairman, I have a couple of additional points I would like to raise with the minister. Some confusion has been created in this bill as to who would be able to administer the RHOSP. The interpretation of the bill would indicate that these plans would only operate through trust companies, whereas the minister's statements would seem to indicate that it was the intention of the government to have the plans operate through banks or other financial institutions in the same way that registered retirement savings plans do. The minister has indicated through the press earlier that he hopes that the trust companies would come to an arrangement on this with the banks. Could the minister tell the House now whether any satisfactory arrangement has been reached?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, first of all RHOSP can only be administered by a life insurance company or a trust company. Under RHOSP, banks operate on the same basis with trust companies. The difficulty as between RISP and RHOSP is that the fiduciary relationship is far stronger under the RHOSP. As to the RISP, all a trust company or an insurance company has to do is to take the money, invest it, and return it at the termination of the period at age 71 to the depositor, either in the form of a lump sum or converted into an annuity.

But the trust relationship or fiduciary relationship under RHOSP is far more specific. The money can only be paid out for deductible purposes for the purchase of a home if the depositor does not currently own a home, or for purposes of furnishing a home. Therefore the fiduciary relationship is far more clear-cut. For that reason we have provided in the legislation that the vehicle for the fund be a licensed trustee under the provincial legislation. Whatever arrangement those trustees want to make, whether they are caisses populaires, which are registered for trustee purposes under the provincial legislation, or whatever the fiduciary relationship is, it is up to that fiduciary agency to supply its own delegation and enforcement of the trust; We are concerned that, from the taxpayer's point of view, those be not abused.

Miss MacDonald (Kingston and the Islands): I appreciate what the minister has had to say, but the question I had was based on the press report in the *Globe and Mail* of February 11 which said that the Minister of Finance had asked trust companies to review their decision not to act as trustees for RHOSPs being offered by the chartered banks. It went on to say:

In an interview, Mr. Turner said he hopes to have RHOSPs offered as widely as possible and has asked his officials to communicate this to the Trust Companies Association of Canada.

Then it went on to say that the minister replied: "I'll see how they react". I am asking if the minister has had a reaction, and what that has been?

Mr. Turner (Ottawa-Carleton): Yes, my assistant deputy minister, who has been good enough to accompany me here in the House, has had conversations with the Trust Companies Association of Canada. They have told him that while the trust industry is confident of its ability

to market the plan, its members are willing to enter into agency arrangements with other financial institutions now in RRSP business that now have customers interested in participating. Such arrangements would have to be worked out on an individual basis and might include agreements to deposit funds. Trust companies hope to co-operate with the purpose of this legislation, and we have that undertaking from them.

Miss MacDonald (Kingston and the Islands): There is another point I would like to raise with the minister. In proposed section 146.2(1)(e) on page 237 of this Bill "owner-occupied home" is defined as "a housing unit or a share of the capital stock of a co-operative housing corporation" etc. I wonder if the minister would clarify whether a mobile home would be included under this definition because, as he must be aware, many families who cannot afford housing of any other kind at current prices are turning to large, fixed, mobile homes for shelter. If this plan is to be of benefit to low income earners, it should undoubtedly apply to the purchase of a mobile home. Will the minister clarify whether mobile homes are subsumed under the definition of "owner-occupied home" in this bill?

Mr. Turner (Ottawa-Carleton): The hon. member is right, they are.

Miss MacDonald (Kingston and the Islands): There is one final question I would like to put to the minister. I am concerned about the fact that while an individual can make a provision for his or her RHOSP saving to be paid to the spouse in the event of death, as I interpret the bill, he or she cannot designate children as beneficiaries. This seems to be a clear and unnecessary discrimination against widows, widowers, and single parent families.

I would point out that at the moment there are some 600,000 single parent families in Canada. If a single parent has been saving under this sort of plan for a number of years, but dies before he can take advantage of it, it seems only fair to allow that individual to pass the benefits on to his or her children. Would the minister take this opportunity to clarify what ability an individual will have to pass the money saved under this program on to his children on the event of his death, and will he consider making it possible for children to be included as possible beneficiaries on the same terms accorded a spouse under clause 2(c)(i) and clause 2(b)?

Mr. Turner (Ottawa-Carleton): Not in his lifetime because the deductibility comes from the taxpayer, and it is the taxpayer who has to purchase the home. But if, before the home is purchased and the fund is built up, the taxpayer dies, then the proceeds are transmitted to the estate. There is no problem, but the taxable deduction cannot be transferred.

Mr. Alexander: I have a couple of questions, Mr. Chairman, and I want to clarify some points found within the minister's press release. It is indicated here that the contributor must be a Canadian resident. I would like amplification of that in terms of residency. I do not know where I got this press release, but it indicates several of the criteria which have to be met. It says that only one plan may be established in a lifetime. I was wondering how the department would check on this, how will it be able to determine whether it is one plan in a lifetime?

Mr. Turner (Ottawa-Carleton): The answer to the hon. member's two questions are, first, yes, it is a once in a lifetime plan. It can only be used once by the same taxpayer. Second, Canadian residency would be defined according to the general definition of residency in the Income Tax Act. Of course the difficulty of administering that lies with my friend, the Minister of National Revenue, who will have to enforce it.

Mr. Clarke (Vancouver Quadra): Mr. Chairman, I was delighted when this plan was brought forward by the minister, particularly since almost exactly two years ago in my maiden speech in the House I brought to the attention of the minister the plight of young married people who were both working and paying taxes at the highest possible rates, at a time when they were struggling to set up a home and establish themselves. I thought when I first heard the minister announce his plan that he might have been listening that day and that something was going to happen to help these very young people I was talking about.

● (1540)

However, after examination and hearing the questions today and the minister's answers, I think I am correct in my assumption that this plan will not help the very people I was talking about and the very people I thought the minister and his government were planning to help. I say that because the only people who will be able to benefit under this plan are those who can set aside $1,000 or $2,000 or, in fact, any dollars from their incomes in order to take advantage of this plan.

We thought maybe the proposal would help the construction industry by allowing it to build new houses, first time homes. Now it has been revealed that the taxpayer is not required to buy a new house, and the taxpayer may have owned any number of houses before he registers his home ownership savings plan. I suggest to the minister that his plan seems to offer assistance to the wealthy, and any old millionnaire who may have owned umpteen houses in his lifetime and presently lives in an apartment building can take advantage of this plan. I want to know if that is what the government planned to do.

Mr. Alexander: Mr. Chairman, on a point of order, the question was a very important one. Perhaps the minister would like it repeated.

Mr. Turner (Ottawa-Carleton): I have no comment on that, but I can hardly conceive of an old millionnaire living in an apartment in Shaughnessy Heights using this gimmick to get back into a house.

Some hon. Members: Hear, hear!

Mr. Clarke (Vancouver Quadra): Mr. Chairman, I only used the millionnaire as a ludicrous example. Let us use as an example one of the deputy ministers in the minister's government.

Mr. Fairweather: Lots of millionnaires there.

Mr. Clarke (Vancouver Quadra): One would have to be, at least in the office of the Prime Minister, in order to have enough money left over. The point is that the plan is available to any person who has owned any number of houses in the past. It has been illustrated by a question but by my hon. colleague from Kingston and the Islands that trading between spouses can go on, so that two spouses can take advantage of this plan. A wealthy person of whatever residence—not all wealthy people live in Shaughnessy; some live in Westmount—can take advantage of this plan. I do not think that is what the government intended, and I am asking the minister if his plan was intended to benefit these people or if it was a plan to benefit the young people of the country who are struggling to obtain a house?

Mr. Turner (Ottawa-Carleton): Primarily the young people, Mr. Chairman. It would be virtually impossible to administer if we were to insist that the taxpayer had never owned a home. We have a voluntary assessment situation. One can check whether the taxpayer at the moment does or does not have a house. To check every taxpayer as to whether he ever owned a house would make the assessment and the administration of this proposal virtually impossible.

My second response to the hon. gentleman is that people really do not organize their affairs in order to move in and out of houses, particularly at the income range the hon. gentleman was describing, to take advantage of this type of exemption, which is really of primary interest only to young people who need it when building up a family.

Mr. Gilbert: Mr. Chairman, it is a rather happy coincidence that we are discussing this particular section of the Income Tax Act at this time in view of the serious housing crisis in Canada, and I am just going to remind the minister of his budget speech of November 18 where he pointed out the seriousness of the housing situation. He then set forth the registered home savings plan, and said:

> . . . this plan will provide an important new source of mortgage funds to finance the construction of the new housing we require in this country.

I am going to remind the Minister of Finance that the Minister of State in charge of housing has indicated that we need 210,000 homes as a target for 1975, and at this stage CMHC has just issued a statement with regard to the January starts, which says:

> Housing starts during January were at a seasonally adjusted annual rate of 175,700 for all areas according to preliminary figures released today by Central Mortgage and Housing Corporation. These figures compare with the rate of 177,500 in December, 174,600 in November, and 177,300 in October.

I hope that the Minister of Finance realizes that there is a downward trend and that we are not even coming close to reaching the target of 210,000. The Minister of State for Urban Affairs in his speech on February 3 to the Housing and Urban Development Association of Canada said that we must look at the situation squarely; that we do have a serious challenge to meet; that we have to get this industry moving again; and that we must produce 210,000 new starts this year just to meet growing need and to prevent conditions from becoming worse.

He also indicated in that speech that some private forecasters were saying that housing starts could drop as low as 172,000 in 1975, and he indicated that at the end of January we were achieving in the area of about 170,000 to 175,000 housing starts. This raises a very serious question with regard to the approach of the Minister of Finance and the Minister of State for Urban Affairs with regard to some of the gimmicks they are using to increase housing starts in Canada and to alleviate the serious housing situation. I am inclined to think that this gimmick with regard to the Registered Home Ownership Savings Plan is really a joke to attract rich people across the country and to give them substantial tax savings.

I would like to ask the minister in what way will we increase mortgage moneys with regard to the housing problem. I do not think that the problem at this stage is a shortage of mortgage moneys. I think the real problem is a shortage of housing starts and tremendously high rents and interest rates. I would like to ask the minister just how his proposal helps to reduce the cost of housing across the country. This measure really helps the rich because a couple from a moderate income family at best can save about $200, and on a saving of $200 the tax saving will be about $40 to $50. But someone in the upper income group can save $1,000, and the tax saving will be between $400 and $500.

I am going to draw a comparison between this program and the registered retirement savings plan. In 1972 83 per cent of those who made contributions to registered retirement savings plans had incomes over $10,000, and 60 per cent earned over $15,000. In the province of Manitoba 11 per cent of those earning between $9,000 and $9,999 contributed to a registered retirement savings plan, while 48 per cent of those earning between $20,000 and $25,000 contributed. The simple reason is that there is a greater opportunity for middle and upper income people to save, and it is a greater opportunity for tax savings.

This gimmick should be exposed for what it is worth, because it is really worth very little to moderate and low income people. But it certainly helps middle and upper income people. I think that the minister should be required to answer just how this affects the mortgage supply when the moneys are probably in the bank now. Banks and trust companies are using those moneys, so how does that increase the supply or decrease the price of housing?

● (1550)

This morning I asked the Minister of Finance some questions about the housing situation in Ontario. The minister of housing for that province has indicated that drastic cuts in federal housing programs will directly affect senior citizens and public housing starts in the province. In an article in this morning's *Globe and Mail* the Ontario housing minister is quoted as saying:

> Funds for public housing are down in Ottawa's allocations from $78 million to $50.4 million. Co-operative housing groups building rental accommodation will receive $55.8 million in federal mortgages, down from $65 million last year—although for ownership units such groups will receive $15.9 million, up from $10 million last year.
>
> And the federal government will cut the money available for land assembly and development to $35 million from $55 million.

The programs of the federal government are having an adverse effect on public housing, co-operative housing and land assembly, and the minister attempts to bring forth

this registered home savings plan as a cure-all for the housing crisis in Canada. I heard him say that this is going to be a revolutionary step, but instead it is only one of the gimmicks in his grab bag of tricks. I always considered the Minister of Finance to be a blue Liberal, but he is becoming a red one. Mr. Chairman, this is a poor way to become a red Liberal. Thank goodness he is not NDP because we certainly would not bring forth a program like this to solve the housing crisis.

When housing starts drop from a projected 210,000 down to 170,000 in November, December and January, the government should be taking steps to correct the situation. Surely the minister cannot claim that this measure will increase the flow of money into the mortgage field, cut the decline in housing starts, and decrease the cost of money? I should like him to explain how the program will effect an increase in starts and how it could decrease the price of housing.

The minister tried to avoid this question this morning when I indicated to him the serious drops in land assembly, co-operative housing and public housing in Ontario. The minister helps to frame the budget of CMHC and helps to allocate the distribution of those moneys, but this morning he was not aware of the serious drops in the three groups I have named. Somebody has to accept responsibility, and if it is not the Minister of State for Urban Affairs then it must be the Minister of Finance. I should like him to tell us how this measure is going to help mortgage funds, increase starts and bring down the cost of housing.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, on several occasions the hon. gentleman has heard the initiatives of the Minister of State for Urban Affairs enunciated. When we get this bill under way we will get into the AHOP legislation and some of the other leverage legislation which will allow the private market to get in here. This will help the housing market in two ways. It is not a cure-all, and we never said it was. This is one measure particularly to help young people to save for their own accommodation. By doing that it converts some consumption into savings. It helps the demand for housing, which is slack at the moment, and the funds channelled into this plan will undoubtedly be invested in the mortgage market thus providing more funds for mortgages and having a beneficial effect on interest rates.

Mr. Gilbert: Can the minister tell the House what assurance he has that moneys directed into the registered home savings plan will be used for mortgage moneys? I do not see any such assurance in the legislation, and I believe that the banks and trust companies are going to direct the moneys into those investments that bring the highest return. They are surely not going to direct them into the Assisted Home Ownership Plan.

What will be accumulated in the first and second years is so small that it is hardly worth worrying about, Mr. Chairman. Surely the best approach would be to get the banks, trust companies and insurance companies to direct a percentage of their portfolios into housing. Then the government could specialize in social housing, public housing, co-operative housing and land assembly instead of taking the measures it is taking at the moment which harm these important fields.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, that is exactly what we feel will happen with the increase in mortgage lending by the banks, insurance companies and the trust companies. And by the way the trust companies have indicated that funds from this source will be invested primarily in the mortgage market, attracted by the higher interest rates and subsidies under the AHOP plan to reduce them to concessional rates for those in need of assisted home ownership. The hon. gentleman should recall that the private market in mortgages has gone from $2 billion to $6 billion in four years. I want to assure him that this might work even better than he hopes, and we will have that money for social housing.

There have been discussions, Mr. Chairman, among the parties, and since we are close to four o'clock and the enterprising bill of the hon. member for Hamilton-Wentworth might not take too much time, if he concludes—

Mr. Fairweather: Is the bill or the hon. member enterprising?

Mr. Turner (Ottawa-Carleton): Everything the hon. member touches has a certain touch!

Some hon. Members: Explain.

Mr. Turner (Ottawa-Carleton): Perhaps if we conclude the private members' hour early the House would agree to revert to clause by clause consideration of this bill.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, it is correct that there have been discussions along those lines. We would be prepared to come back into committee of the whole and work like beavers on this bill with one proviso, that is, that we would not this day return to any of the clauses that were stood, the ones dealing with resource taxation and so on.

Mr. Baldwin: We feel the same way, Mr. Chairman. After the Minister of Finance sees how rapid progress is made, he may be persuaded to move this bill along rapidly too.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I am all for that.

Progress reported.

The Acting Speaker (Mrs. Morin): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions and private bills.

● (1600)

Is it agreed that all bills preceding Bill C-373 shall stand?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

SOVEREIGNTY SYMBOL

MEASURE TO GIVE RECOGNITION TO THE BEAVER AS SYMBOL OF CANADIAN SOVEREIGNTY

Mr. Sean O'Sullivan (Hamilton-Wentworth) moved that Bill C-373, to provide for the recognition of the Beaver (*Castor canadensis*) as a symbol of the sovereignty of the Dominion of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Madam Speaker, my first words in support of Bill C-373 must be those of appreciation to hon. members in all parts of this House who have kindly given the necessary unanimous consent for its presentation at this time.

In asking that it be called for debate I hope to indicate my sense of concern that we quickly correct an oversight of history by recognizing the beaver as one of the symbols of the sovereignty of our country.

In the hope that the favourable and co-operative attitude demonstrated so far toward Bill C-373 will continue today, and that hon. members will advance this legislation, I shall limit my remarks, although one could certainly speak at length in support of this positive and non-partisan measure. Simply, I propose to explain just what this bill attempts to do, to correct some mistaken impressions about it, and then to entrust its fate to the wisdom of this House.

Bill C-373 seeks to give official recognition to a fact of our Canadian heritage, for it is a straightforward fact that the beaver is one of our national symbols. This bill neither creates a new national symbol nor does it replace or in anyway lessen the maple leaf, the coat of arms, or any other symbol of our heritage.

Every man and woman holds dear certain memories and nostalgic reminders of his and her country which cannot be erased easily, if at all. These ties of home are among the most natural and enduring of feelings. In nature each creature has its own habitat, which it protects with a fierce love. In Canada, where people from so many different lands and cultures have come together, what can we all identify with if not those symbols adopted by Canadian pioneers and taken to our hearts, even if we be newcomers to this nation? Search deep into the history of Canada and you will find that the strong, tireless and industrious beaver has always been symbolic of our northern homeland.

The beaver was a clan sign for Indian tribes and was carved on their totem poles. The beaver was on the coat of arms of the Hudson's Bay Company, and as long ago as 1632 was used in Canadian heraldry when Charles the First approved its use for Sir William Alexander, the founder of Nova Scotia. The beaver was on our first Canadian stamp to have a picture.

An hon. Member: Before the Queen?

Mr. O'Sullivan: Before the Queen.

The Canadian Beaver

[*Translation*]

Madam Speaker, the beaver appears on our coins and also on the arms of the City of Montreal. No fewer than 14 regiments of our Canadian armed forces have the beaver as their insignia. For all the young Canadians who took part in the devastating wars of the 20th century, it is a very familiar symbol. Far away from Canadian lands, those young people went to the Somme, Vimy or Passchendaele during World War I. Some of them participated in the liberation of Europe during World War II and others were in Korea. The beaver adorned the badges of Lieutenant Brillant and Corporal Kaeble, both recipients of the Victoria Cross they earned in France in 1918 and both members of the famous Royal 22nd Regiment.

[*English*]

The beaver was prominent in the posters urging Canadians to buy victory bonds in that defence of our freedom. The beaver is on the collar badges of the Royal Canadian Regiment whose proud motto is *Pro Patria*. The beaver was on the Calgary Highlanders' badge when they valiantly put down at Dunkirk in 1944.

And so on it goes, to remind all of us, to quote naturalist Frederick Bodsworth:

> It is no coincidence that our national emblem is not a rising sun, a star, a hammer, a sickle, or a dragon, but a beaver and a maple leaf.

The beaver and the maple leaf. They go together, and to give due recognition to them both as symbols of our land and its heritage in no way lessens the importance of either.

There are those, Madam Speaker, who might argue that we should forget the beaver as a symbol now that Oregon has it as a state animal and New York state has a private bill before its legislature to do likewise. Obviously, we cannot prevent others from sharing our esteem for this animal as an emblem, any more than we could stop others from calling the maple leaf their own. However, all the flattery by imitation in the world cannot change the feelings of Canadians; feelings so strong that they have become a fact of Canadian life. For us the beaver is not just an animal to be placed on the back of a flag like Oregon's, or declared a state animal as might New York, but a symbol of national significance, well-founded in history and honoured by generations.

I am, of course, hopeful that the legislators of New York state will find a more suitable alternative to the beaver as their state animal. The sponsor of that proposal, a proposal of similar status to a private member's bill here, has even held back on his motion to see what action the Canadian parliament will take. I think that this courtesy on the part of Senator Bernard Smith demonstrates the friendship which exists between our two countries and the respect with which that neighbouring state will view our feelings and sense of heritage. Those feelings are indeed strong.

Since introducing this bill I have received hundreds of signatures of support, in the form of letters and petitions. Other members have indicated a similar favourable response from their constituents. What is more, officials of CBC radio estimate that over 13,000 Canadians, from every province, both territories, and in both official languages have written to Barbara Frum and Alan Maitland of the "As it Happens" program to support their conten-

tion that the beaver is a Canadian symbol and should be recognized as such.

This leads me to touch briefly upon another question that has been raised in connection with this bill. As is evidenced by my questions and speeches in this House, I recognize and share the concerns of Canadians everywhere about the pressing economic problems we all face. However great these problems may be, I do not agree with some that our search for their solution should automatically exclude discussion of other subjects.

I would submit that a nation's true strength is most tested, and its unity most endangered, when individuals grow fearful of the future because of economic unrest. At such times of stress it is all too easy to become overly introspective, and it is a common human failing to place blame on those nearest at hand.

● (1610)

Immediate concern for economic problems can blind us to our long-term goals and aspirations. The suspicion and mistrust which result can make us forget those greater things we have in common.

It is precisely in such difficult times that Canadians need to be reminded of those things we share, and of those common strengths which will ultimately see us through troubled times.

To an individual, to a nation of individuals, there must be more to life than just financial facts and figures. There must be things to touch one's soul and heart and emotions if we are to be complete persons and a whole nation. That is the importance of symbols, their special importance in times such as ours. That is the object of this bill and the special importance of the beaver to Canadians in our history, today, and for tomorrow.

Some hon. Members: Hear, hear!

Mr. Ian Watson (Laprairie): Madam Speaker, I have no reservations about agreeing with the hon. member who has just spoken that the beaver is a symbol of Canada and has been so for generations. However, I want to put on record one or two points which I believe should be considered before we take any final action on this subject.

The commercial houses of Montreal in particular, until the end of the 19th Century used the beaver on almost everything they could find to print it on. It was a symbol of Montreal, representing all the wealth which Montreal reaped from the fur trade. It meant everything to those who were in control of business in Montreal. After the turn of the Century the use of the beaver as a commercial symbol began to decline throughout Canada. Some had begun to make fun of the emblem. For example, Canadian shipping carried the beaver emblem, and it was commonly referred to around the world as the rat line. This eventually got to people, and Canadians began to back away from the use of the beaver symbol.

I am not saying we should not give the beaver symbol some kind of formal recognition, but we should examine this matter carefully before we take any action. I hope that when the committee does consider the matter it will call in experts who can explain for the benefit of members and the Canadian public the intricacies and mysteries of heraldry and exactly how we should go about giving formal recognition to the beaver as a symbol of Canada, bearing in mind the things the hon. member would like to achieve.

[Mr. O'Sullivan.]

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Madam Speaker, I am pleased to take part in the discussion of this bill to provide for the recognition of the beaver as a symbol of the sovereignty of Canada.

[*Translation*]

However, Madam Speaker, I must say to this House that when that question was brought to my attention last fall following the introduction of the private bill by a US senator to have the beaver accepted as the emblem of the State of New York I was surprised and even disappointed that we did not have in the statutes of Canada an act to designate the beaver as national emblem.

I was under the impression that because of the use we had made of the beaver as an emblem for a very long time already, the beaver was indeed recognized in the statutes as the emblem of this country, but such is not the case.

We have been talking about the beaver for a very long time. It was even mentioned in great political debates, and I found in the archives of the government of Québec that the Hon. J. A. Chapleau, premier of that province in 1883, was talking at that time about the political group called Les Castors as a rebel political party, and had more specifically in mind the ultraconservatives of that time.

In 1910, Sir Wilfrid Laurier made a speech in Montreal on the Castors calling them people who changed political parties, or even criticized their own party. Indeed, the beaver as an emblem has always been and still is related to our history.

Incidentally, I would like to relate an anecdote. That happened during my first year as a member of this House, in 1963, when I received in Ottawa an Indian delegation from my riding. Outside the Parliament building, after visiting the premises, a member of that delegation remarked: "There are beavers here in Ottawa." He was looking at the top of the door to the Parliament building. Indeed, at the main entrance of that majestic building a beautiful beaver is engraved in the stone.

So, Madam Speaker, as far as I am concerned, I have no objection to referring this bill to committee, and I hope it can then be given detailed consideration.

[*English*]

Some hon. Members: Question!

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

The House resumed consideration in committee of Bill C-49, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mrs. Morin in the chair.

The Assistant Deputy Chairman: When the committee rose earlier today an amendment to clause 100 was under consideration. Shall the amendment carry?

Mr. Brewin: I have a few brief remarks to make on the generality of this Registered Home Ownership Savings Plan. I come from a constituency where we are deeply concerned about housing, and naturally I have looked at this clause to see whether it will help my people there.

I have sometimes been reproved for taking perhaps too broad a perspective of my responsibilities in this House. However, for the moment I want to concentrate on this legislation as it may affect my own constituents. I regret to have to tell the minister that I do not think it will help more than a handful of them. There are very few people in my constituency who will be able to benefit from this particular provision. I think there are very few who can save up to $1,000 in a year to buy a house at present prices. There may be a handful and I do not begrudge them some income tax exemption, but there are so few that in my view this really does not amount to anything.

● (1620)

The real and urgent need is housing for those people whose income gives them no chance of buying a house. The minister says this provision will benefit young people. I wish it would, but I do not know very many young people in my riding who could possibly save $1,000 a year and avail themselves of this tax exemption. If there are such it is a small and exclusive group who are perfectly well able to look after their housing needs without these special exemptions from income tax.

I think every cent available should be poured into two forms of housing for which there is real need. I refer first of all to public housing with rents geared to income. I have people in my constituency who are being forced out of their houses because they cannot afford to pay the rents charged. Many of these people are elderly. Secondly, I know of young people going into co-operative housing, and more funds are needed to assist development of co-operative housing. I regret to say that I find this legislation pretty barren and useless in meeting the housing problem in my own constituency.

Another matter of concern to me which, perhaps the minister can help me on is, that as far as I can make out, if you want to take advantage of this provision you must deposit your money in a savings account in a bank, trust company or similar institution, no doubt at a fee. I do not see any arrangement made regarding the fee charged for holding these funds. Is there no machinery whereby the government itself could accept deposits, which it could then put into bonds or savings accounts that would make a reasonable return while the person concerned awaited acquisition of his new house? There is a resentment among some people about being required to use these particular financial institutions to avail themselves of this provision.

The only other thing I want to say is that anybody who thinks that this legislation is a serious means of dealing with the housing crisis in this country should have his head read. It is nothing of the sort. This is tinkering. The expression the hon. member for Broadview used was that it is a gimmick, and we are not really very much interested in it. It will help a few, yes, but there will be so few in my riding that you could count them on the fingers of your hand.

Mr. Stevens: Madam Chairman, before we move on from this clause I have some questions to put to the minister. There is one thing I feel the committee should have clarified. As I understand it, a person contributing to the plan may not own a house in the year he makes a contribution. For example this means that if a person contributed to the plan in 1975 he would not be eligible to buy a house in 1975 because this would be the calendar year in which he contributed and he has retroactively disqualified himself.

Is my understanding correct, and how does this work in conjunction with the post-dated contribution down to April 1? Is this post-dated contribution treated as a payment in 1974, so that he can buy a house in 1975?

Mr. Turner (Ottawa-Carleton): The hon. gentleman is right on both counts.

Mr. Stevens: I am very encouraged. That is one of the least evasive answers we have had from the minister for some time. My second question is this: in view of that, would the minister not agree that the main impact of this program will certainly not be in 1975 or 1976 but probably in subsequent years? If a person cannot purchase a home in the year of his contribution, there will be a tendency for him to contemplate buying his home in future years. Consequently, any suggestion that this provision will have a good impact in the sense of stirring up money to be used for house purchase in 1975 is not too realistic. Does the minister agree?

Mr. Turner (Ottawa-Carleton): Madam Chairman, the hon. member is right in the sense that the demand will gradually build up as funds accumulate. But as I have said before, this is just one element in the government's housing program. The other purpose is not only to sustain demand but to allow the tax system to help young people accumulate funds for house purchase.

Mr. Stevens: Following along that line of reasoning, would the minister also not agree that the plan may take money out of the home purchase field in 1975 and 1976 because people who might have bought a home will be attracted to the plan, but instead of going out and using their available cash they will start contributing to the plan with a view to buying at a later date? As a consequence, rather than helping the 210,000 starts objective of the minister, the plan may actually work against the purchase of new homes in 1975.

Mr. Turner (Ottawa-Carleton): Not necessarily, Madam Chairman. The money invested will probably be

immediately reinvested, primarily in the mortgage market.

Mr. Stevens: With all due respect, I use the minister's favourite comment about comparing apples with oranges. When he says the money will be invested in the housing market, presumably he is referring to investment in mortgages. As I understand the main attraction of this provision, it is that it makes it relatively easy from a tax standpoint for people to accumulate money to buy equity in a house. There is the multiplier effect, the leverage given when a person puts down $10,000 to buy a $40,000 house. This is the true result that the government is trying to achieve. I suggest that saying that money invested in a mortgage company is lent out in mortgage funds, is an apples and oranges comparison.

Mr. Turner (Ottawa-Carleton): Madam Chairman, in terms of equity there will be a gradual build-up. In terms of the debt available having an effect on the market and moving beneficently to lower interest rates, the impact will be immediate.

Mr. Stevens: Then I guess there is a difference of opinion on that point. Could I now shift to subclauses (g) and (h) on pages 238 and 239. As I read these two subclauses it appears that if a person owns an interest in accommodation, which presumably is housing—I think the word used is dwelling place—he may not enter the plan, and as a result that person with an interest in residential rental property will be precluded from setting up a registered home ownership savings plan even if he himself lives in rented accommodation. I think we can understand the point the minister is trying to cover here, and perhaps I should give him the opportunity of indicating whether my understanding of these two subclauses is correct.

● (1630)

Mr. Turner (Ottawa-Carleton): Yes.

Mr. Stevens: In view of that, how do the revenue people intend to treat something like a real estate investment trust? Take the situation in which a person has bought into a REIT, and if the REIT in turn happens to buy an apartment building some place, would that person be precluded from coming under the Registered Home Ownership Savings Plan?

Mr. Turner (Ottawa-Carleton): I think that the simple answer is that a real estate investment trust is not a partnership.

Mr. Stevens: That may be the simple answer for this committee, but I can assure the minister that a real estate investment trust in a technical sense is a partnership. One of the reasons for setting up a real estate investment trust is to limit the liability of the partners that are part of that trust.

Mr. Turner (Ottawa-Carleton): If the trust is organized as a partnership then it will not qualify, but if it is a trust it is not a partnership.

Mr. Stevens: Perhaps I could just touch on another point for clarification. It is my understanding that this plan will be something both spouses can participate in, in that if a husband and wife both have the appropriate income they will both be able to contribute $10,000, and in that way the family unit, or the husband and wife, will be able to accumulate $20,000 over a period of 10 years. Is that right?

Mr. Turner (Ottawa-Carleton): Yes, $10,000 each in his or her own plan.

Mr. Stevens: Is it also correct that you could have a situation in which a husband puts his house in his wife's name and then contributes to the $10,000 plan, that is $1,000 a year for 10 years, and uses the money to furnish his wife's house? You would then have a rather interesting situation in that they both are living in the house, but it happens to be in the wife's name and the husband is able to contribute to a plan, the proceeds of which are used to furnish the house in which he is living with his wife.

Mr. Turner (Ottawa-Carleton): If he were to buy the house back, yes, but the house has to be registered in one name or the other. I dealt with the general concept here in answer to the hon. member for Kingston and the Islands earlier this afternoon.

Mr. Stevens: I am speaking about a different thing. Take the situation where the husband and wife, for their own good reasons, have the house registered in the wife's name. Is it not true that the husband could contribute to his plan and, when he wishes to collapse the plan, use the proceeds to buy furniture for his wife's home, the home that he has actually been living in?

Mr. Turner (Ottawa-Carleton): Put that way, yes.

Mr. Stevens: Is there anything wrong with the way I have put it? Is it not true that this is a type of situation that could exist under the present wording of the proposed amendment?

Mr. Turner (Ottawa-Carleton): Yes.

Mr. Stevens: Perhaps I could direct the minister's attention to sub-clauses (7) and (8) on page 241. As I understand what is written here, this is like a penalty. If someone is caught putting too much into a registered home ownership savings plan the penalty is that his plan is in effect deregistered, and he must then take into income the entire amount he has paid in, notwithstanding the fact that he may have taken out certain proceeds to buy furniture for a home. Is that correct?

Mr. Turner (Ottawa-Carleton): That is right. There is really no reason for over-contributing. It is quite simple; the maximum is $1,000 a year.

Mr. Stevens: Why was it felt necessary to be so severe? Presumably you could have a person who, through confusion, made an over-payment, and did not correct it within 120 days. If he has used part of the proceeds to buy a home why should he be taxed on that without giving him at least credit for the portion he uses, presumably in the way the government expects him to use it?

Mr. Turner (Ottawa-Carleton): This covers quite simply $1,000 a year. That is not complicated. He gets the deductibility on the way in, and there has to be some sanction if he tries to over-deduct.

Mr. Stevens: This is a question of degree, I suppose, but I should have thought that the obvious sanction would be to require the man simply to bring back into income the amount of the over-payment and pay taxes on it, which is certainly what happens under the registered retirement savings plan. I am little surprised that this provision would have such a vicious penalty in it for a person who has, for some reason or other, over-paid. Is there any reason why a person who goes into a registered ownership savings plan should be more severely penalized for a mistake, such as I have referred to, than the person in respect of a registered retirement savings plan?

Mr. Turner (Ottawa-Carleton): There is quite a difference. The RRSP is a pension, whereas this allows a maximum of $1,000 a year. It is not complicated, therefore a sanction is required.

Amendment agreed to.

Clause 100, as amended, agreed to.

Clauses 101 and 102 agreed to.

On Clause 103.

Mr. Turner (Ottawa-Carleton): Madam Chairman, I have circulated this amendment which replaces the one tabled on February 10. The only difference is in the page reference. Otherwise the amendment is exactly the same as the one tabled. The amendment relates to Clause 103 as found at page 246, and I would move:

That clause 103 of Bill C-49 be amended by striking out lines 34 to 40 on page 246 and substituting the following:

"(6) Subsections (1) and (2) and paragraph 149(1)(v) of the said Act as enacted by subsection (4) are applicable to the 1974 and subsequent taxation years; subsection (3) and paragraph 149(1)(u) of the said Act as enacted by subsection (4) are applicable to the 1972 and subsequent taxation years; and subsection (5) is applicable after November 18, 1974."

This amendment relates to the coming into force of the provisions as they apply to Clause 103.

Amendment agreed to.

Clause 103, as amended agreed to.

On Clause 104.

Mr. Turner (Ottawa-Carleton): I have circulated the following technical amendment to Clause 104, and I move:

● (1640)

That clause 104 of Bill C-49 be amended

(a) by striking out line 37 on page 247 and substituting the following:

"1974, 1975 and 1976 taxation years, subsection"

and

(b) by adding thereto, immediately after line 41 on page 247, the following:

"(5) Subparagraph 157(1)(a)(i) of the said Act shall, for the 1977 and subsequent taxation years, be read as it read immediately before the coming into force of subsection (1)."

That is found on page 247 of the bill.

Amendment agreed to.

Clause 104 as amended agreed to.

Clause 105 agreed to.

On clause 106.

Mr. Turner (Ottawa-Carleton): I move:

That clause 106 of Bill C-49 be amended

(a) by striking out line 11 on page 248 and substituting the following:

'106. (1) Paragraph 161(4.1)(a) of the said Act is repealed and the following substituted therefor:

"(a) the tax payable under this Part by it for the year computed without reference to section 123.2,"

(2) Section 161 of the said Act is further'

and

(b) by striking out lines 26 and 27 on page 248 and substituting the following:

"(3) This section is applicable to the 1974 and subsequent taxation years except that for the 1977 and subsequent taxation years paragraph 161(4.1)(a) of the said Act shall be read as it read immediately before the coming into force of this section."

Amendment agreed to.

Clause 106, as amended, agreed to.

Clause 107 agreed to.

On clause 108.

Mr. Stevens: Madam Chairman, as this clause proposes to give the right of appeal from the refusal of the minister to register an educational savings plan or a home ownership savings plan, or from his revocation of registration of those plans, would the minister give us an outline as to whether this provision is one that is also included with respect to standard registered plans? Is it a provision that is unique to the two plans to which reference is made here?

Mr. Turner (Ottawa-Carleton): No, Madam Chairman, there are many similar provisions of appeal to the Federal Court throughout the act.

Mr. Stevens: Does the Registered Retirement Savings Plan allow for the right of appeal also?

Mr. Turner (Ottawa-Carleton): Yes, Madam Chairman.

Mr. Stevens: Could the minister indicate how many appeals have been launched?

Mr. Turner (Ottawa-Carleton): I will ask my colleague, the Minister of National Revenue, or one of the officials to provide the hon. gentleman with the information.

Mr. Stevens: Could the minister give us some indication of the number, whether there are many or few such appeals? I think it is relevant when we are considering the right of appeal.

Mr. Turner (Ottawa-Carleton): The answer is that there have been no appeals.

Clause agreed to.

Clauses 109 to 117 inclusive agreed to.

On clause 118.

Mr. Turner (Ottawa-Carleton): Madam Chairman, on February 10 I tabled an amendment to clause 118. Now I

am moving another amendment to this clause and I propose that we not proceed with the earlier amendment. What I will be circulating now is the new amendment which differs from the earlier one in that it extends exemption for provincial borrowings for another couple of years. They were worried about withholding tax on interest on government securities. I move:

That clause 118 of Bill C-49 be amended

(a) by striking out lines 35 and 36 on page 254 and substituting the following:

'118(.01) All that portion of clause 212(1)(b)(ii)(C) of the said Act following subclause (V) thereof is repealed and the following substituted therefor:

"issued after April 15, 1966, and before 1979,"

(1) Paragraph 212(1)(b) of the said Act is further amended by striking out the word'

(b) by striking out line 3 on page 255 and substituting the following:

"1978, the interest on which is payable"

(c) by adding thereto, immediately after line 33 on page 258, the following:

'(10.1) Paragraph 212(14)(c) of the said Act is amended by adding the word "or" at the end of subparagraph (i) thereof and by repealing subparagraphs (ii) and (iii) thereof and substituting the following therefor:

"(ii) a trust or corporation established or incorporated principally in connection with, or the principal purpose of which is to administer or provide benefits under, one or more superannuation, pension or retirement funds or plans or any funds or plans established to provide employee benefits."

(d) by striking out lines 6 to 10 on page 259 and substituting the following:

"after 1971, subsections (2), (3), (5) and (6), (8) to (10) and (11) are applicable in respect of amounts paid or credited after November 18, 1974, other than an amount referred to in paragraph 212(13.1)(a) or subsection 212(13.2) of the said Act as"

and

(e) by striking out line 13 on page 259 and substituting the following:

"entered into before May 7, 1974, subsection (10.1) is applicable after 1974 and subsec-"

Amendment agreed to.

Clause 118, as amended, agreed to.

Clauses 119 and 120 agreed to.

On clause 121.

Mr. Nystrom: Madam Chairman, I have a question for the minister on clause 121, which covers four pages and deals with timber royalties. I wonder if any part of that clause would be similar to clauses 4 and 6 which we stood.

Mr. Turner (Ottawa-Carleton): No, Madam Chairman.

Clause agreed to.

Clauses 122 to 132 inclusive agreed to.

On clause 133.

Mr. Turner (Ottawa-Carleton): On February 10 I circulated an amendment to clause 133 to correlate the French and English versions.

[*Translation*]

I move:

That clause 133 of the French version of Bill C-49 be amended by striking out line 19 on page 281 and substituting the following:

"ploitation d'une mine" est réputé comprendre et avoir toujours compris, aux fins"

[Mr. Turner (Ottawa-Carleton).]

The Assistant Deputy Chairman: Shall the amendment carry?

Some hon. Members: Carried.

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

Clause 133 as amended agreed to.

● (1650)

[*English*]

Clauses 134 to 141 inclusive agreed to.

On clause 142.

Mr. Stevens: Would the minister give us a brief explanation of clause 142?

Mr. Turner (Ottawa-Carleton): The hon. gentleman, I understand, wants to call it five o'clock after passing this clause. We could do it now, but I will give him the explanation in any event because I gave an undertaking to the hon. member for Winnipeg North Centre that at the next sitting of the House on Monday we would go back to the resource clauses.

This clause 142 applies in the first subclause to non-resident withholding tax on dividends. The second subclause applies to a life insurer's a net Canadian life investment income. Looking at subclause (1) first, section 10 of an act to amend the Income Tax Act was introduced in 1961-62 to cancel the special preferred 5 per cent rate of withholding tax which applied under Article XI (2) of the Canada-U.S. Reciprocal Tax Convention to dividends paid by a subsidiary in one country to a parent company in the other. Since December 20, 1960, such dividends have been taxed at the same rates which apply to any other dividend. By repealing this section the existing rates will continue to apply after 1975, rather than the 25 per cent rate for dividends paid to residents of non-treaty countries.

Subclause (2) is a relieving measure with respect to the coming into force of a provision of Chapter 14 of the Statutes of Canada, 1973-74, which allowed a deduction in computing the taxable investment income of a life insurer of the interest element of policies issued as registered retirement savings plans or deferred profit sharing plans. This deduction will be made available from the time of the commencement of the taxation of life insurers in 1969 rather than 1972 as provided earlier.

There was an oversight in 1969. We are repairing it as of 1969.

Mr. Munro (Esquimalt-Saanich): If we have not proceeded to wind things up, I would like to ask if it would be possible to have read into the record the numbers of the clauses which have been stood so that we might have a means of starting off on Monday with a record of those we will be discussing. Perhaps clause 142 should be dealt with first.

Mr. Turner (Ottawa-Carleton): I think it would be a good idea to put the committee on notice for Monday. Is the committee ready for the question to be put on clause 142?

Clause 142 agreed to.

The Assistant Deputy Chairman: The hon. member wanted to know the clauses which are stood.

Mr. Knowles (Winnipeg North Centre): Start with No. 4.

The Assistant Deputy Chairman: Clauses 4, 7, 9, 35, 37, 43.1, and 52 as amended.

Mr. Turner (Ottawa-Carleton): Madam Chairman, was clause 80 agreed upon?

The Assistant Deputy Chairman: There is no record of clause 80 standing.

Mr. Knowles (Winnipeg North Centre): Is there a record that it was agreed upon?

Mr. Stevens: I believe that the intention was to stand clause 80.

The Assistant Deputy Chairman: Clause 80 was stood.

Mr. Paproski: Madam Chairman, could we have those numbers repeated?

The Assistant Deputy Chairman: Clauses 4, 7, 9, 35, 37, new clause 43.1, clause 52 and clause 80.

Mr. Knowles (Winnipeg North Centre): Madam Chairman, may we have confirmation of what has been understood? On Monday will we be dealing with Bill C-49 in committee, beginning with clause 4?

Mr. Turner (Ottawa-Carleton): Yes, that is so. It is our understanding that clause 52, which has been stood, was stood because of a sidebar heading which, in the minds of some hon. members, related to resources. It really does not relate to resources.

Mr. Paproski: I agree, Madam Chairman. I think that clause 52 could be carried, if we could revert to it.

The Assistant Deputy Chairman: Is it agreed that we revert to clause 52, as amended?

Some hon. Members: Agreed.

Clause 52 as amended agreed to.

The Assistant Deputy Chairman: It being five o'clock it is my duty to rise, report progress, and request leave to consider the bill again at the next sitting of the House.

Progress reported.

The Acting Speaker (Mrs. Morin): It being five o'clock the House stands adjourned until Monday at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, February 24, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. REID—ATTENDANCE OF MEMBERS OF HOUSE OF COMMONS BEFORE SENATE COMMITTEES

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, a few days ago I gave notice that I wished to raise a question of privilege concerning the practice that seems to be developing of members of this place appearing before emanations of the other place. I indicated at that time that I thought it was a fairly delicate and difficult subject with which to deal, and having had some time to look at it I am confirmed in my original estimate that it is indeed a difficult proposition for members to focus upon.

I have now had an opportunity to review the Standing Orders of the House of Commons that deal with the other place, and I find that the Standing Orders provide for a form of address and communication which is foremost, distinct and correct. These are found in Standing Orders 22(1), 22(2), 22(3) and 23, and they deal with conflicts between the House of Commons and the Senate.

Unlike the House of Commons, the Senate has a rule that regulates the way in which members of the other place may appear before committees of this place, and I should like to quote it to Your Honour. It is rule No. 104 of the Senate Standing Orders and it provides as follows:

(1) When the House of Commons requests that a senator or any of the officers, clerks, or servants of the Senate attend before the House of Commons to be examined or appear before any committee thereof, such request shall be by message from the House of Commons requesting that the Senate grant leave to such senator, officer, clerk or servant to attend.

(2) If the Senate grants leave, an officer, clerk or servant of the Senate shall attend before the House of Commons or a committee thereof, and a senator may attend if he thinks fit.

(3) Without such leave, a senator, officer, clerk or servant of the Senate shall not, on any account, under penalty of being committed to the Gentleman Usher of the Black Rod or to prison during the pleasure of the Senate, go down to the House of Commons, or send his answer in writing, or appear by counsel to answer any accusation there.

There is no such complementary rule in our Standing Orders and therefore, in order to find out just exactly what the traditions are, I had to go back and examine the *Journals* of the House of Commons and the Senate. In passing, I should also like to point out that rule 98 of the Senate provides as follows:

Any person whose interests may be affected by a private bill

(a) may appear before the committee to which such bill has been referred or may make comments to the committee in writing;

(b) if required to do so by the committee, shall appear before the committee.

Further, rule 18 deals with ministers of the Crown appearing before Senate committees and provides:

When a bill or other matter relating to any subject administered by a department of the Government of Canada is being considered by the Senate or in committee of the whole, a minister, not being a member of the Senate, may on invitation from the Senate enter the Senate chamber and, subject to the rules, orders, usages, forms and proceedings of the Senate, may take part in the debate.

Those are the rules of the other place that govern the appearance of members of this House before the other place. Since, as I say, there was no complementary rule in the Standing Orders of the Canadian House of Commons, I went back to investigate various authorities which we use in this House. The first, of course, is Beauchesne's Fourth Edition, and at page 247, citation 312 provides:

Whenever the evidence of a senator is required before a committee of the Commons, it is usual for the Chairman to move in the House that a message be sent to the Senate requesting Their Honours to give leave to... one of their members, to attend and give evidence before the select committee, etc.

A motion that a message be sent to the Senate requesting leave for a senator to give evidence before a select committee of the House of Commons cannot be entertained until a report thereon has been presented by the committee.

Since Beauchesne had no comment at all to make on the reverse procedure, which of course is the one in which we are interested, I went back to Bourinot's Parliamentary Practice, third edition, 1916, where at page 48, citation IX provides as follows:

● (1410)

In the Senate witnesses generally attend on a notice from the clerk of the committee. In case a witness will not attend, application must be made to the House for the necessary power to compel his attendance.

Whenever the evidence of a senator is required before a committee of the Commons, it is usual for the chairman to move in the House that a message be sent to the Senate requesting Their Honours to give leave to... one of their members, to attend and give evidence before the select committee, etc. The Senate will consider the message and give the required leave to the senator, "if he thinks fit". If the attendance of a member of the Commons is required before a committee of the Senate, the same procedure will be followed.

So far that is the only quotation I have been able to find in the documents which we have for our use in this House. However, in May's Parliamentary Practice, eighteenth edition, 1971, there are a number of quotations which relate to the going back and forth of members of the Commons to the Lords, and vice versa, and they are quite extensive in the way in which they deal with this. Briefly I quote from page 99 as follows:

As regards attendance in the other House, one House will not permit one of its members to be summoned by the other, without a message desiring his attendance, or without the consent of the member whose attendance is required.

Under the heading "Other Forms of Misconduct" in May's eighteenth edition, at page 140, we find the following:

Giving evidence elsewhere in relation to any debates or proceedings in the House of which he is a member or officer, or any committee thereof . . .

Attending as a witness before the other House or any committee thereof without the leave of the House of which he is a member or officer.

I would refer Your Honour to a further chapter of May's at page 668. I will not quote it but it does give the full detail of the two quotations which I have already read, under the heading "Attendance of Members of the Other Place". We have gone back and looked at the precedents which have taken place in our House from time to time and I want to raise three of them to indicate just what has happened.

An hon. Member: Couldn't you have done this by letter?

Mr. Reid: On May 16, 1919, the House of Commons gave its permission to the request from the Senate that the Hon. F. Cochrane, P.C., M.P., attend before the Senate committee. Mr. Cochrane at that time was a minister without portfolio. The House of Commons accepted this request as a matter of routine and there was no debate. This will be found in the *House of Commons Debates* of that date. A more interesting one, however, is the case of Senator Crerar who was at the time leader of the Progressive Party in the House of Commons. On May 11, 1921, the House of Commons agreed to allow him to testify before a Senate committee after the appropriate formalities had been gone through.

In 1931 the Senate received a number of requests from the Commons for permission for a number of members to appear before a Commons committee that was investigating the Beauharnois scandal. I would particularly direct the attention of the House to the Senate *Journals* of July 14, 1931, where it is reported that three senators were given permission by the Senate to appear before the House of Commons special committee investigating the Beauharnois scandal.

I think those are the main points I wanted to make, with the exception of one interesting precedent which took place in 1961 when the then member of parliament for St. Boniface, Mr. Laurier Régnier, appeared before the Senate Committee on Banking and Commerce. He was dealing with Bill C-129 and claimed, among other things, that the bill was improperly before the Senate; that it had not properly passed all stages in the House of Commons, according to his interpretation. He entered into a constitutional debate with the chairman of the committee. The most important point is that he was not invited by the chairman of that committee; he appeared of his own volition and apparently requested that the committee hear him. I should like to quote the following comments appearing at page 16 of the relevant committee report:

THE CHAIRMAN: Is the committee ready now to hear Mr. Régnier, M.P.?

HON. SENATORS: Agreed.

THE CHAIRMAN: Mr. Régnier, will you come forward to my table please? Are you appearing voluntarily, Mr. Régnier?

MR. RÉGNIER: Yes.

[Mr. Reid.]

Apparently those questions were asked because the custom was, even in 1961, for members of this place to appear over there only in response to a certificate filed in the appropriate way, in the way which I have already outlined to the House. Mr. Régnier then went on to make his case before the Senate committee. As I understand it, not very much happened as a result. However, it is the only case that I have been able to find of a member of the House going over to the other place to make a case, particularly on a bill that had already been passed by the House in the normal way. In doing so, it may be argued that Mr. Régnier was in contempt of Standing Order 35 which indicates that a member cannot cast reflection on a vote of the House of Commons.

Therefore, I would make the following comments. First of all, it is quite clear that in the past there has been a whole series of very clear lines of communication between the committees of the House of Commons and the committees of the Senate when they wished to have witnesses appear before them. The procedure was clear and was practised by both the House and the Senate. The other point I want to make is that there has been a long practice of ministers and parliamentary secretaries going over to the Senate; this has been so in order that they may be permitted to promote government legislation. It is the same right that private members have when they go over to promote their private member's bills whether they be public or private. The fact is that because the bills are begun and processed by private members, those members have the same right to appear before Senate emanations in that regard.

Therefore, there is another point to be made about the Régnier case: it is that he was appearing over there after the House of Commons had given consent for the legislation to go through. In point of fact, the legislation had been passed by unanimous consent through all three stages early one evening.

This means that the question that must be put to the House is whether or not a member can go to the other place and raise doubts about a piece of legislation on which the House of Commons has already taken a stand and upon which it has acted. To do so would seem to me to put the member in violation of Standing Order 35.

The second point—this is my concluding point—is that it seems that a member of parliament should have the right to appear before a Senate emanation only in cases where the Senate is discussing a matter such as in the case of the Davey committee on the mass media, or the Croll committee on poverty, when the subject may or may not appear before the House of Commons in the same way in a reasonable length of time. What I am asking Your Honour to do is to rule on the practice of members of parliament to be heard on a variety of issues, in many cases on legislation which is undergoing study in the Senate on a matter which will be coming here in due course. This would seem to me to be in violation of the well known law of anticipation of what may happen in the House. Therefore, I think it would be helpful if Your Honour were to investigate this matter, take a stand and clear up something that seems to be undesirable in the way in which we are carrying on our business.

Hon. Herb Gray (Windsor West): Mr. Speaker, while the hon. member for Kenora-Rainy River (Mr. Reid) in raising his question of privilege has not mentioned my name, there is no question that he raised this matter initially last Wednesday because that morning I attended the meeting of a committee of the Senate to present a statement of my views on certain aspects of Bill C-29, the Canada Business Corporations Act. The hon. member is extremely capable and hard working, but I think there are better ways for him to use his energy and talents than to attempt to limit the right of action of members of parliament, on behalf of the public, under the guise of protecting those rights.

Some hon. Members: Hear, hear!

Mr. Gray: I want to begin by submitting that in any event his motion may well be defective on procedural grounds. Standing Order 17 reads:

17 (1) Whenever any matter of privilege arises, it shall be taken into consideration immediately.

But subsection (2) goes on to say:

(2) Unless notice of motion has been given under Standing Order 42, any member proposing to raise a question of privilege other than one arising out of proceedings in the chamber during a course of the sitting shall give to the Speaker a written statement of the question at least one hour prior to raising the question in the House.

● (1420)

Mr. Speaker, unless I am mistaken—and if I am, I withdraw this point—the hon. member did not give notice under Standing Order 42, which requires 48 hours notice; and he did not, according to what he told me earlier today, give the Chair a written statement of the question he raised at least one hour prior to raising it in the House last Wednesday. I submit that either step is necessary because the matter he complains of did not arise out of proceedings in this chamber during the course of a sitting.

I want to say that I think in spite of this defect, the matter is such that I must say something about it on its merits. The hon. member has referred to some United Kingdom usages and rules, and there is something in our Standing Orders indicating that in cases not provided for in our rules we should have regard to the usages followed in the United Kingdom. Our Standing Order one does not speak of Standing Orders in the U.K., and the hon. member cited a Standing Order of the Senate which, if I am not mistaken, restates a standing order of the House of Lords.

To import the United Kingdom's Standing Orders into our proceedings by rulings of Mr. Speaker would be to do something which we do not ask our own Speaker to do. We insist on adopting Standing Orders by vote of this House. Our Standing Order says the usages of the United Kingdom shall be followed only in so far as they may be applicable in each case. No case has been made by the hon. member upon whom the burden of proof lies in this instance. I submit they are not applicable. Beauchesne's Fourth Edition, page 110, paragraph 119, reads as follows:

Although we may take a leaf out of its book, we have developed a parliamentary practice of our own based on British principles and yet clearly Canadian. While we appreciate the long experience of the United Kingdom House and seek to profit therefrom, we are the absolute and independent masters of our own procedure in accordance with our circumstances and needs.

I say that these usages are not appropriate for Canada, a country with our diversity and variety, requiring wide discussion of issues, particularly if the discussion is intended to be constructive and positive. In any event, I submit the U.K. precedents are not relevant. They apply only where the United Kingdom upper House wishes to formally summon, that is to say, compel attendance of a member of the British House of Commons. This is clear from reading Erskine May's eighteenth edition at the page the hon. member cited but, more important, if one looks at the opening paragraph of chapter 25 of Erskine May where these pages are found, there are the following words under the heading "Witnesses and Parliament":

This chapter is mainly devoted to a description of the practice relating to the summoning of witnesses before either House or a committee of the whole House, and select committees of either House.

This is not relevant here because in my case I sought to testify before the Senate committee of my own volition; I was not summoned to attend. The initiative was mine. The Senate committee accepted my request and agreed to hear me.

The hon. member suggests that there is something wrong with going and testifying in the Senate because it may reflect on votes of this House, but hon. members comment in this chamber in many ways on bills after they have been voted on, without complaint from anyone. In every debate on economic questions, the government's previous budget policy is commented on, often adversely, even though the House as a whole has adopted it.

As I have said in this House, hon. members have called for reduction or elimination of taxes approved by the House. They call for the amendment or replacement of bills on other matters approved by the House. For example, hon. members call for the restoration of the death penalty even though the House voted to abolish it except in limited cases. No one complains that they raise it. Another important example is that the Minister of Transport (Mr. Marchand) has said on several occasions that transportation policy in Canada is a mess.

Some hon. Members: Hear, hear!

Mr. Gray: Mr. Speaker, I do not necessarily accept this premise, but I want to say that in making that statement the minister thereby reflects on a decision of this House in passing the National Transportation Act, and no one, least of all the hon. member for Kenora-Rainy River, has ever complained that he said this.

What we are talking about here is not the comment by a member of parliament in this House on a bill it has voted on. What we are talking about is comment made outside this House, in fact before a committee of another deliberative body independent of this House.

Members appear and speak before city councils; they appear and speak before meetings of mayors, as did the hon. member for Northumberland-Durham (Mr. Lawrence) recently. If one had time to check, one would probably find that members have appeared before committees of provincial legislatures and federal-provincial royal commissions. There is one instance of this that Your

Honour mentioned the other day, that is, the Freedman report on railway run-throughs. Members speak to meetings of community groups and public meetings of all kinds, as well as to the press and on radio and television. In doing so, they speak about matters on which this House has taken formal decisions, and no one complains. Why should they be prevented from speaking in the same way if they appear before a committee of another independent, deliberative body—

Some hon. Members: Hear, hear!

Mr. Gray: —and if they appear, as in my case, of their own volition and with the consent of that committee? Mr. Speaker, is the hon. member next going to come in here and say that once a bill is adopted in this House, a member cannot comment upon it to a meeting of a community group, a trade union, a service club or some other meeting?

An hon. Member: He might.

Mr. Gray: Will he next say that we cannot comment on such bills to the press, radio or television, or write letters about them or engage in conversations about them with ordinary citizens? He may say he would never do this and that he does not intend to do it, but what is the true difference between any of these things and going voluntarily as a witness before a Senate committee? In both cases a member of parliament is speaking out about a matter of public concern which may have been the subject of a decision of this House.

Mr. Speaker, Canadians who are members of the Canadian Manufacturers Association, the Canadian Chamber of Commerce and the Canadian Bar Association appear before committees of this House on bills, and they often go on to appear before committees of the Senate on the same matter. Is the hon. member arguing that Canadians who are members of parliament have fewer rights to speak than members of private interest groups who are simply private citizens?

Some hon. Members: Hear, hear!

Some hon. Members: Shame!

Mr. Gray: Mr. Speaker, if members of parliament cannot go before Senate committees without formal leave of this House, members who are ministers should not be able to do so either.

Some hon. Members: Hear, hear!

Mr. Gray: But they do, Mr. Speaker, and the other place does not first send a message to the House in every case requiring the minister's attendance, and the minister in every case does not first ask and get leave from the House to attend before a Senate committee. The hon. member's citation of the Senate rules is irrelevant. How can a rule of the Senate be imported as a precedent of this hon. chamber?

Some hon. Members: Hear, hear!

Mr. Gray: Mr. Speaker, we are talking about the rights and privileges of members of parliament. In this connection I submit the House makes no distinction between members who are not ministers and those who are, and therefore if it is wrong for members like myself to go to the Senate, without leave, to speak about a bill voted on by this House, it is also wrong for ministers to do so.

Some hon. Members: Hear, hear!

Mr. Gray: If I am not mistaken—and if I am, I will withdraw the point—on one occasion in the previous parliament a minister of the Crown went to a Senate committee and actually urged that committee to strike out a clause the House had voted to put in a bill.

An hon. Member: That was "crazy Otto".

Mr. Gray: The hon. member did not raise that as a question of privilege.

Some hon. Members: Hear, hear!

Mr. Gray: If the attendance of ministers at Senate committees is a precedent for anything, it is a precedent in favour of any member attending before such a committee if they wish to do so and the committee agrees to hear them. Mr. Speaker, last Thursday you ruled that parliamentary privilege deals primarily with the member's right of free speech within this chamber. Last Thursday, February 20, dealing with a question of privilege raised by the hon. member for Laprairie (Mr. Watson) and a question of privilege raised by the hon. member for Montreal-Bourassa (Mr. Trudel) you quoted the words of Mr. Speaker Lamoureux on this issue on April 29, 1971, when he said:

> In my view, parliamentary privilege does not go much beyond the right of free speech in the House of Commons and the right of a member to discharge his duties in the House as a member of the House of Commons.

Then you went on to say:

> Bearing in mind that very concise reasoning, it seems to me that improvement upon it is impossible and, furthermore, unnecessary.

If parliamentary privilege is limited to free speech within this chamber, then how could a member speaking anywhere outside this chamber harm or infringe on this privilege? Let us remember that there are already many informal ways in which the right to speak of members is limited now in this chamber, and particularly of government members; and the possibility that that right might be further abridged under the guise of parliamentary reform is one that we should all be cognizant of.

● (1430)

Therefore, I submit that if there can be any governing principle of interpretation to apply to the question of members' privileges involving their right to speak, that principle should be that these privileges should be construed in a way that encourages and protects the MP's right, rather than limits it. The presumption should be against limitation. Mr. Speaker, I say this especially because of your ruling of last Thursday, as recorded on page 3386 of *Hansard*, where you are reported as having said:

> —all of us must recognize that the role of a member of parliament extends far beyond his work in this chamber, that more and more each day in modern times a member is not only invited, but in fact compelled, to become involved in many activities outside the House.

To conclude, I say those who, like myself, want the party now forming the government to be not just a Liberal Party in name but a party of Liberals in policy orientation and action should be concerned about what the hon. member, who after all is parliamentary secretary to the government House leader, appears to be arguing in his question of privilege.

If there is any group which should believe that the encouragement of wide-ranging and constructive discussion, not just of issues but of legislation as well, is fundamental to its principles, that group should be the Liberal Party. I say that all of us in that party who are sitting in this House, and those who support it across the country, should be diligent in seeing that the right of the member of parliament to engage in that kind of discussion is not abridged under the guise of protecting it. In our work for the people of our ridings and the people of Canada, there are times when we must speak in committees of caucus and other groups in which our work is most appropriately carried out under roles of confidentiality and solidarity. But, Mr. Speaker, there are other times when we must express our views publicly when we speak in whatever setting, in whatever forum we consider most appropriate if those organizing the meeting are willing to hear us.

This is the way I see myself carrying out my duties for the people of my riding and our country. I urge that this question of privilege be rejected in order to further confirm the validity of the kind of role I have outlined, not just for myself but for all members of this House who are striving to work in the interests of all the people of their ridings and all the people of Canada.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, as the hon. member for Windsor West (Mr. Gray) was speaking, I heard some members behind me saying, "This man should be in the government". I say no, he has been too honest, too frank and shows too much ability to be in the government.

Some hon. Members: Hear, hear!

Mr. Baldwin: The parliamentary secretary launched his attack in an attempt to recoup the ground he lost some time ago. He lost it when in a moment of honest exasperation he launched an attack against ministers. Now he attempts to work his way back into the favour of the ministry and I must assume that he spoke with the knowledge and approval of the government House leader and the Prime Minister (Mr. Trudeau). If they disapprove of what he said, they will say so. If they say nothing, I take it that they not only countenance what the parliamentary secretary said, but initiated the move which he made today.

Mr. Baker (Grenville-Carleton): There is only stony silence on the government benches.

Mr. Baldwin: What we have heard today is the first chapter of the book "Reid on How to Muzzle Ex-cabinet Ministers". Considering the reaction we have obtained, I suggest that the Prime Minister (Mr. Trudeau), who appears not to be paying attention but who I know is listening closely, should fire other cabinet ministers. Heaven only knows what the Minister of Finance (Mr. Turner) might say about financial questions, the Minister of Transport (Mr. Marchand) about transportation, and the Minister of Labour (Mr. Munro) about some of the problems he has encountered. What a great parliament this would be, Mr. Speaker, if these ministers made forthright, frank and honest statements. The Minister of Energy, Mines and Resources (Mr. Macdonald) might really tell us what he knows about energy.

Mr. Dinsdale: That would be a short speech.

Mr. Baldwin: We could hear the Minister of Agriculture (Mr. Whelan) speak on eggs. What a revelation that would be.

Having disposed of these preliminaries, let me say that I associate myself with the cogent, learned and intelligent remarks to which we just listened by the hon. member for Windsor West. The parliamentary secretary's argument respecting the rules of this House, of the other place and of the English parliament only apply when there is a need to demand compulsory attendance of a member in the other place. There should not be and must not be anything in our rules which in any way provides that a member of this place or of the other place shall not appear voluntarily as a witness before a committee dealing with a bill or any subject. A member should be free to give any such committee the benefit of his advice.

Election to this House should not preclude our being called as witnesses or at least appearing voluntarily before committees of the other place and giving those committees the benefit of our experience. Any suggestion to the contrary should not be countenanced, and surely Your Honour will not accept such arguments. I suggest that the rules which have been quoted provide, under certain conditions, for compulsory attendance. For example, if the parliamentary secretary were called as a witness before a committee of the other place and he did not wish to attend, there are certain ways in which his attendance might be compelled. On the other hand, I suggest it would be completely wrong to say that a member of this House should not have the right to appear before a committee.

Ministers appear regularly. Ministers sponsoring bills or wishing to introduce white papers and green papers which are discussed in the other place appear before committees of the other place and give their reasons for sponsoring what they are doing. If they can appear before a committee and speak in support of a bill, why in the name of heaven cannot a member of the opposition or even a member on the government side speak against the bill and oppose it?

For these reasons, as well as the other cogent reasons advanced by the hon. member for Windsor West, I urge Your Honour to throw this matter out of the window as far as it can possibly be thrown.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there are a few things which the hon. member for Windsor West (Mr. Gray) said in his defence which might well be commented on initially. First, the hon. member seemed to be in some doubt as to whether the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) had given the proper and necessary notice. I take it that since Your Honour recognized the hon. member on

this question of privilege, he must have met the rule in this connection.

● (1440)

In the second place, I notice that the hon. member for Windsor West, like the hon. member for Peace River (Mr. Baldwin), was concerned about the quoting of rules which apply in the parliament at Westminster. I submit we do not need to fall back on any of the traditions and procedures of that parliament, but that the rules and practice of our own parliament are a sufficient guide to us in a case of this kind. The third thing the hon. member for Windsor West said in his own defence was that a member of this House, even after a matter had been decided by the House, surely had the right to keep an issue alive. All I can say is this: surely the Senate is the last place one would go in an attempt to keep an issue alive!

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): My main concern about the action of the hon. member for Windsor West and any others who might like to imitate him arises from the fact that my hon. friends and I believe in democracy. We believe in the authority of this House because we are elected by the people to concern ourselves with the affairs of the country, and for an elected member to go to plead his case against this House before a non-elected body is, I submit, a denial of the principle of democracy. I hope that other hon. members who believe they have a right to follow suit will think twice before they do so.

It is no secret that I do not regard the Senate as having moral authority in our parliamentary system, and it is because my hon. friends and I take this view that we think it is wrong to have dealings with that House or its committees in the manner indicated by the hon. member for Windsor West. The hon. member commented that if it was wrong for him to go over there, why was it wrong for a minister to appear on the floor of the Senate or before a Senate committee. The hon. member is a lawyer and I am surprised he does not appear to be aware that there is a Standing Order of the other place permitting ministers to appear on the floor of the Senate or before Senate committees. But there is no rule or any formal arrangement for private members to go over there. My hon. friend from Regina-Lake Centre (Mr. Benjamin), in his usual profound and succinct way, has just stated the whole case by saying: "It was dumb for him to go". When this parliament was set up—

Mr. Gray: Would the hon. member permit a question? A few moment ago he referred to a Standing Order of the Senate. Do I understand that a man with his view of the Senate is citing an order of the Senate?

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): I am glad to find that my view of the Senate is well known. I say to you, Mr. Speaker, that even though I have no use for the Senate as an institution, I have the right to ask the Senate to abide by its own rules.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Fairweather: In support of your own weak argument.

Mr. Knowles (Winnipeg North Centre): The rules of the Senate are definite enough when prescribing the conditions under which its own members and staff may come to this House. The hon. member for Kenora-Rainy River read from Standing Order 104, to be found on page 50 of the latest edition of the rules of the other place. This is not something out of the Middle Ages; this bears the date December, 1969. This is what the other place has set down in its rules regarding members of that place who come over here without permission of the Senate. I shall not read the whole of the Standing Order. I like this one, though:

104(3) Without such leave, a senator, officer, clerk or servant of the Senate shall not, on any account, under penalty of being committed to the Gentleman Usher of the Black Rod or to prison during the pleasure of the Senate—

Some hon. Members: Oh!

Mr. Knowles (Winnipeg North Centre):

—go down to the House of Commons, or send his answer in writing, or by counsel to answer any accusation there.

Note, they always put it that way—"go down to the House of Commons": they do not say "go over". If that is the attitude of the Senate toward one of its own members coming over here, I suggest the Senate should treat our members in the same way and not invite them to go over there. There is, of course, the rule which provides that a minister of the Crown may appear over there. But there are no rules which provide for individual members of this House to go to the other place.

Our parliament was set up with the two Houses placed on a formal arm's length relationship to each other. The hon. member for Kenora-Rainy River has cited Standing Order 22 of our rules and Standing Order 50 of the Senate rules. I do not wish or need to repeat them. These are the rules which provide for the course to be followed when there is disagreement between the two Houses. That disagreement has to be a disagreement between the Houses as such; we take our decision here, they take their decision there, and when we do not agree there are arrangements for messages to be sent back and forth, for conferences, and so on. I ask you, Mr. Speaker, what sort of chaos would we get into if every time a bill in this House is passed in the face of a considerable body of objection, all of those in this chamber who do not like it were to traipse over there—

An hon. Member: That is up to the Senate.

Mr. Knowles (Winnipeg North Centre): We in our party won't do it because we have no use for the other place. But am I to understand that if the Conservatives vote against clause 4 of Bill C-49 when it comes before us this afternoon, and if they lose and the bill carries with that particular clause in it, every one of the 95 Conservatives would try to go to the Senate or appear before a Senate committee to try to get their Honours to agree that the view of the House of Commons was wrong?

The right to appear before the Canadian Manufacturers Association, the Canadian Bar Association or any of these

other associations, to go out on the hustings, to go on radio and television, write letters to the editor, make speeches, all of that certainly is part of the right of a member of parliament to try to keep an issue alive, but I suggest that to try to keep it alive by going to the morgue at the other end of this building is to deny the whole proposition that we are part of a democratic society.

An hon. Member: Right on.

Mr. Knowles (Winnipeg North Centre): We seem to be complaining about an action which has been taken by a member of this House. I do not blame him if he feels inclined to find a way to press his ideas. I just think he chose the wrong way. He is a very capable member and has shown this very clearly, especially since he left the cabinet. I hope he will keep on doing it. But I do not regard his judgment as very sound in deciding that that is the best way to try to advance his cause. We seem to be criticizing the hon. member for Windsor West, but I rise mainly to criticize the other place. I think the members of the Senate have no right, knowing the rules they have in their books—

Some hon. Members: Order.

Mr. Knowles (Winnipeg North Centre): —knowing the rules that are in both our books providing for formal relationships between the two Houses, either to invite the hon. member over or to consent to his going over. This short-circuit procedure gets around all the established arrangements. I agree there are not as many rules as one might look for either in their Standing Orders or in ours, or in Beauchesne, but it is clear that the arrangements between the two Houses are on a formal basis. When an individual member of this House or of the other place goes to the other House to try to say that the decision made in his own House is wrong, that is in violation of the way that these two places work. On top of that, my main point is that I do not think it is appropriate for any member of this democratically elected body to go pleading his case before an unelected and unrepresentative body such as the Senate of Canada.

● (1450)

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, the matter of privilege on which you are being asked to rule has in my opinion serious implications for private members of this House and for the future of the committee systems both of the other place and of this House.

I listened with a good deal of interest to the argument of my hon. friend from Winnipeg North Centre (Mr. Knowles). I must say I agree with him that the rules in the two Houses should be parallel with regard to the appearance of a member of one House before a committee or any other emanation of the other House. But there is one matter on which I fundamentally disagree with the hon. member for Winnipeg North Centre. His views on the Senate are very well known, but I do not think they should colour the approach to a rational division of labour between the various committees of the Senate and those of this House.

The hon. member for Kenora-Rainy River (Mr. Reid) attempted to make a distinction in his remarks. He said that he thought it would be in order for members of this place to appear before certain types of committees of the other place. He referred to the committee on the mass media and the committee on poverty, and said that it would not, in his opinion, be proper for members of this place to appear before Senate committees dealing with matters which might come, in the ordinary course of events, before a committee of this place. Such a distinction would be almost impossible to administer, and in my opinion would be meaningless. Certainly the wide-ranging activities of the committee on poverty could well anticipate legislation which would arise in this place.

There is one even more fundamental matter which I hope Your Honour will consider. For example, there is in existence today a committee of the other place looking at cannabis legislation. I understand there are members of the House of Commons who have views on the subject and would like to testify; if I am wrong in this respect, I have been misinformed. In my opinion, it is only fair and proper that an opportunity to give what might be lengthy testimony should be afforded members of parliament if they seek permission in the proper way to appear before the other place, in which case it should be granted.

We are all seeking today to make the committee system work. It is overburdened and encumbered with work. There are conflicts arising over time of meetings, there are difficulties in getting the attendance of members in different places. When a committee structure exists in both the Senate and in this House, and there is a means by which some rational, informal division of labour regarding hearings in the early stage of legislation can take place, then it seems to me prudent that the rules should permit the members of this House to appear before the other place.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to say a few words on this question of privilege, because it has just been stated that the standing orders of the House of Commons are not similar to the Standing rules of the Senate.

It is understandable, Mr. Speaker. If the democratically elected members were not allowed to act freely at the government level, if within a party, as several people have suggested, a dictatorship would prevent a member from acting as the people's representative, democracy would be hindered.

It is not so as far as the Senate is concerned, Mr. Speaker. Restrictions can be laid down in the Senate. It has been pointed out that the consent of the Senate is absolutely necessary to testify before a committee of the House of Commons. Indeed, senators are not elected, but they are political appointees. Thus the Senate can be entrusted with some duties. The politicians can summon the senators, who are not democratically elected but are appointed as a political reward. This can explain the difference between the standing orders of the two Houses.

To prevent a member or a minister from testifying before a Senate committee would merely be an impediment to democratic freedom, because a backbencher is as democratically elected as a minister or the prime minister and he should thus be also entitled to testify before those committees.

Such is the difference which I wanted to point out between the standing orders of the House of Commons and the standing rules of the Senate. I think that members of this House are democratically elected while Senators are political appointees.

[*English*]

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, it seems to me that almost daily, in one way or another, we are talking about matters relating to our procedures prior to the question period. It is getting to the point where much of the time of this House is being taken up with matters relating to the rules of the House. Unless we want to waste all our time in this chamber talking on points of order, points of procedure and questions of privilege, something will have to be done, and done quickly, to remedy the situation. At the same time, I think this House owes the hon. member for Kenora-Rainy River (Mr. Reid) a debt of gratitude for having brought before the House one of the really key issues concerning any parliament, one that goes to the heart of this parliament—that is, freedom of speech.

Any time we hear a parliamentary secretary raising a question of privilege, he is speaking on behalf of the government, indicating the government's point of view. In this particular instance he was indicating the government's approach to the rules and to the procedures of this House, and he indicated that when discussions take place before a committee, a very hard line will be taken by the government to gag members, no matter what party they belong to, on whatever issue they wish to speak. They will be prevented from putting forward their points of view on anything that is of value and significance to the Canadian people and to the development of this nation.

One of the points that the hon. member for Kenora-Rainy River seems to ignore is that we are members of parliament and that parliament consists of two Houses, not of one. It consists of this House and the one the hon. member for Winnipeg North Centre (Mr. Knowles) wishes to ignore, degrade or eliminate if possible. Whatever the hon. member for Winnipeg North Centre feels about the other place, I want to tell him that he is much better when he rises to his feet to argue, in this tribune of the people, for freedom of speech than when he is trying to gag a member who wants to put his point of view before the Canadian people on matters of interest to the Canadian public.

We in this chamber should do everything in our power to see that the public is kept fully aware of every member's point of view on every piece of legislation, no matter whether he be in this or some other chamber. Further, the government has indicated on more than one occasion in this parliament that it intends to initiate more legislation in the other chamber. Therefore, that chamber should be aware of the particular points of view of its members, especially those with expertise in a certain area.

I do not think I have to go into the merits of the matter since the hon. member for Windsor West (Mr. Gray) did that so well. I suggest we should support his remarks.

[Mr. Gauthier (Roberval).]

● (1500)

Mr. Speaker: Order, please. There have been many contributions of great value to this interesting point. The hon. member for Windsor West (Mr. Gray) was allowed some latitude in talking about support of freedom of speech as opposed to the technical question in respect of which we really are dealing, but I would hesitate to allow other members to debate that subject as well. In spite of the importance of that topic and the fundamental principles it involves, we are really dealing here with a procedural question. There have been some interesting parallels drawn, but the fact of the matter is that there seem to be two questions involved. The first question is whether there is anything in the regulations of this House or its precedents to prevent the action which has been discussed, that is a member appearing before a committee of the other House. The second point is, if that is not so does such an appearance constitute such an affront to this Chamber it ought to be considered a question of privilege, or ought to be prevented in some way. Basically, those are the two questions involved.

If other hon. members want to contribute, I hope they will confine themselves to those questions. Otherwise, I would propose to reserve on the matter and deliver judgment as soon as I can put together all the precedents and regulations that have been cited.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I have just one point to add to my support of the argument advanced by the hon. member for Winnipeg North Centre (Mr. Knowles). Apparently he was thinking only of the 124 members of the opposition who might want to run to the Senate committee to present their points of view.

In the case of Bill C-29, which is the subject that gave rise to this particular matter, I have done considerable work, but because of a conflict of committee commitments I was unable to appear before the justice committee. I accepted the decision of this House when that bill was given third reading. I suggest that is the issue; whether we do or do not, as members, accept a majority decision of this House.

When the hon. member for Windsor West (Mr. Gray) appeared before the Senate committee, I applied to appear before that same committee to present a contrary argument. The issue before us is not just whether members of the opposition should fly to the Senate to plead their arguments, but whether any of us should go to plead the arguments we were supposed to plead before our own standing committees of this House.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I will try to follow your stricture about narrowing the focus, and plead guilty to appearing informally before a Senate committee last week. I regret that I did not think it necessary to call the member for Kenora-Rainy River (Mr. Reid) to ascertain whether he would give me permission. The issue before the foreign affairs committee of the Senate last week was that of international relations, in particular having to do with provinces and states, and how they get together under the umbrella of the accords of the national governments of our respective countries.

As I have had a little bit of experience in doing that for New Brunswick and the State of Maine, I was invited to attend. I listened to Premier Richard Hatfield, who I do not think called the member for Kenora-Rainy River either to see whether he could appear, and I thought with great respect to Premier Hatfield he covered the issue very well. However, should the Senate feel there is something more I could say about this particular issue I would be glad to go again.

There are many precedents for this. The President of the Treasury Board (Mr. Chrétien), for example, when he was the Minister of Indian Affairs and Northern Development invited many members of parliament to initiate action before the commissions having to do with national parks development plans. It was at the minister's own invitation that members of parliament appeared before commissions in various parts of the country, giving their points of view, without in any way being inhibited by any strange rule.

I really thought today that the hon. member for Winnipeg North Centre (Mr. Knowles) got a little bit mixed. With great respect to him, he has well-known views about the Senate, but they have nothing to do with members of parliament using whatever avenue is at their disposal. The CRTC, a non-elected group, often receives representations, I would hope, from members of parliament. I have appeared before the CRTC asking for improved television in northeastern New Brunswick, for example, and there was no thought at all about infringing the rules of this parliament. I agree with the hon. member for Windsor West (Mr. Gray) that this involves using whatever avenues exist, be they the Senate, the CRTC, boards or commissions or, strangely enough, once in awhile this very Chamber in which we are debating this issue today.

* * *

INFORMATION

PROPOSED COMMITTEE STUDY OF EXPENDITURES ON INFORMATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, because the 28 per cent increase in federal government expenditures in one year demands urgent action by parliament to control spending, and because one of the most outlandish expenditures is the amount spent on maintaining 863 information officers, plus the money spent on contracts with freelance speech writers, public relations consultants and advertising agencies, I move under Standing Order 43, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That the whole subject of government expenditures on information be referred to the Standing Committee on Miscellaneous Estimates, and that this committee be instructed to report to parliament on what is the total amount of such expenditures, since without this over-view there will be no way of controlling profligate promotion.

Mr. Speaker: The motion is presented pursuant to Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

POST OFFICE

GOVERNMENT ACTION TO ENSURE DELIVERY OF MAIL BY SETTING STRIKE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43, I rise to propose a motion on a matter of urgent and pressing necessity, namely the fact that business establishments across Canada are suffering due to curtailment of the postal service, in particular small businesses, the backbone of our economy, which depend wholly on regular mail delivery, and their very existence is now being jeopardized by postal walkouts. For the sake of our economy, I move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That the government, through the President of the Treasury Board and/or the Postmaster General, request the post office members of the Public Service Alliance of Canada to begin immediately and continue delivery of all business mail, or force the return of the over-all mail delivery by introducing back to work legislation.

Mr. Speaker: The motion being presented pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONFLICT OF INTEREST

REQUEST FOR GUIDELINES CONCERNING GIFTS TO PRIME MINISTER, CABINET MINISTERS AND THEIR WIVES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to seek leave of the House—

Some hon. Members: Oh, oh!

An hon. Member: Sit down.

Mr. Cossitt: Mr. Speaker, I rise to propose a motion under the provisions of Standing Order 43 arising from a statement by a member of the staff in the Prime Minister's office early in January to the effect that guidelines would be issued in respect of possible conflicts of interest by the acceptance of gifts before the Prime Minister (Mr. Trudeau) left on his European trip.

An hon. Member: What is his name?

Mr. Cossitt: I wish I knew his name, but the Prime Minister's staff has always hidden behind anonymity.

Some hon. Members: Oh, oh!

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

That the House requests the Prime Minister and the government to make public in this House, as promised before the Prime Minister leaves this week on his European trip, conflict of interest guidelines in regard to gifts received by, or offered to, the Prime Minister, members of the Cabinet and their wives.

Estimates

Mr. Speaker: The motion being moved pursuant to Standing Order 43 requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR TRANSPORT

SUGGESTED COMMITTEE STUDY OF SAFETY REGULATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, under the provisions of Standing Order 43 I request the unanimous consent of the House on a matter of urgent and pressing necessity. This matter concerns the irresponsible and embarrassing attitude of Canadian airlines and ministry of transport officials toward the enforcement of air safety regulations.

● (1510)

In view of the fact that it has now been publicly disclosed that the apparent slogan governing the actions of Canadian airlines and DOT officials towards the implementation and enforcement of air safety standards is "safety doesn't sell tickets"—an attitude which implicity endangers the well-being of the Canadian air travelling public—and because the federal Ministry of Transport has been reported as incapable of administering safety regulations and prefers to "look the other way" when these rules are ignored I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That this House do now authorize the Standing Committee on Transportation and Communications to inquire into and make recommendations on the implementation of Canadian air safety regulations, and that the minister be instructed to immediately take the necessary steps to improve this situation, with a view to ensuring the safety of the Canadian air travelling public.

Mr. Speaker: With all due respect to the hon. member, even giving him the benefit of the doubt, surely his description of the general situation as opposed to a specific incident of urgent and pressing necessity would disqualify his motion under the Standing Order.

* * *

MAIN ESTIMATES, 1975-76

REFERENCE OF ITEMS TO STANDING COMMITTEES

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I have a motion pursuant to Standing Order 59 which refers the estimates to the several standing committees of the House. It is a very long motion that has been in the hands of members of the opposition for a few days, and I believe is in the hands of the Clerk at the Table. Perhaps I might, therefore, avoid reading it and simply point out one or two changes of substance that might help the House.

[Mr. Cossitt.]

Mr. Speaker: Is it agreed that, as suggested by the President of the Privy Council, the motion be tabled as read and printed in *Hansard*?

Some hon. members: Agreed.

[*Editor's Note: The motion above referred to is as follows:*]

Motion Pursuant to Standing Order 59

That the Estimates of sums required for the service of Canada for the fiscal year ending March 31, 1976, be referred to the several Standing Committees of the House, as follows:

To the Standing Committee on Agriculture:

Agriculture Votes 1, 5, 10, 15, 20, 25, L30, L35, 40, 45, 50, 55, 60 and 65

To the Standing Committee on Broadcasting, Films and Assistance to the Arts:

Communications Votes 1, 5, L10 and 15

Labour Vote 10

Secretary of State Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, L80, 85, 90, 95, 100, L105 and L110

To the Standing Committee on External Affairs and National Defence:

External Affairs Votes 1, 5, 10, L15, 20, 25, 30, L35 and 40

National Defence Votes 1, 5, 10 and 15

To the Standing Committee on Finance, Trade and Economic Affairs:

Finance Votes 1, 5, 10, 20 and 25

Industry, Trade and Commerce Votes 1, 5, 10, L15, L20, L25, L30, L35, 40, 45, 50, 55, 60 and 65

National Revenue Votes 1 and 5

Privy Council Vote 20

To the Standing Committee on Fisheries and Forestry:

Environment Votes 1, 5, 10, 15, L20, 25, 30 and 35

To the Standing Committee on Health, Welfare and Social Affairs:

Consumer and Corporate Affairs Votes 1, 5, 10, 15, 20, 25 and 30

National Health and Welfare Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55 and 60

Urban Affairs Votes 1, 5, 10, 15, L20, 25, 30 and L35

To the Standing Committee on Indian Affairs and Northern Development:

Indian Affairs and Northern Development Votes 1, 5, 10, L15, L20, 25, 30, 35, L40, L45, L50, L55, L60, 65, 70, 75 and L80

To the Standing Committee on Justice and Legal Affairs:

Justice Votes 1, 5, 10, 15, 20, 25 and 30

Solicitor General Votes 1, 5, 10, 15, 20 and 25

To the Standing Committee on Labour, Manpower and Immigration:

Labour Votes 1 and 5

Manpower and Immigration Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on Miscellaneous Estimates:

Finance Vote 15

Governor General and Lieutenant-Governors Vote 1

Parliament Votes 1, 5 and 10

Privy Council Votes 1, 5, 15 and 25

Science and Technology Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40

Secretary of State Vote 115

Supply and Services Votes 1, 5, L10, 15, 20 and 25

Treasury Board Votes 1, 5, 10, 15 and 20

To the Standing Committee on National Resources and Public Works:

Energy, Mines and Resources Votes 1, 5, 10, L15, 20, 25, 30, 35, 40, L45, L50, 55, 60, 65 and 70

Public Works Votes 1, 5, 10, 15, 20, 25, L30, 35, 40, 45 and 50

To the Standing Committee on Privileges and Elections:

Privy Council Vote 10

To the Standing Committee on Regional Development:

Regional Economic Expansion Votes 1, 5, 10, L15, L20, 25, 30 and L35

To the Standing Committee on Transport and Communications:

Post Office Votes 1 and 5

Transport Votes 1, 5, 10, 15, 20, 25, 30, L35, 40, 45, 50, L55, 60, L65, L70, L75, 80, 85, 90, L95, L100, 105 and 110

To the Standing Committee on Veterans Affairs:

Veterans Affairs Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50 and 55

Mr. Sharp: For the guidance of members, may I say that in substance the motion is the same as in previous years with two exceptions. It is proposed that all Department of Communications estimates now go to the Standing Committee on Broadcasting, Films and Assistance to the Arts which formerly received only the CRTC part of the estimates, and that parliament's estimates be designated the miscellaneous estimates so that the procedure committee can proceed with the reference that was approved the other day.

In form, there are some slight differences. For example, Vote 10 relating to the Chief Electoral Officer would now be Privy Council Vote 10. In other words, the chapter headings from the blue book are used. This will make it easier for members and committee personnel to find the items.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, we are quite agreeable to this procedure, but I want to repeat the reservation I uttered last Friday that this is done without prejudice to our right to continue to urge that we may hopefully make this House a better, livelier and brighter place by bringing back to the House from time to time some of the estimates. Negotiations are going on now which I hope will end with this result. I just want to say that the motion, to which we agree, is contingent—and I cannot propose that it be made a rule because there can be no amendment—upon the fact that the government and the other parties are willing to work out an agreement of this kind, which I think will be in the interest of the House, of the people, and of the passage of supply by this House.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we agree to this motion on the same terms. In other words, it is already settled that we will have a meeting tomorrow to discuss the arrangements suggested by the hon. member for Peace River (Mr. Baldwin).

Mr. James A. McGrath (St. John's East): Mr. Speaker, could I ask the government House leader if he is prepared to give the House an assurance because of the provisions of Standing Order 58(14) which reads:

... Each such committee shall consider and shall report, or shall be deemed to have reported, the same back to the House not later than May 31 in the then current fiscal year.

This applies to the examination of the estimates. Because of the provisions of the Standing Order, and because of the fact that we have in front of us now more than $28 billion worth of estimates, I think the House is entitled to have some assurance from the government,—when we consider, for example, that we have barely two months left in which to examine these estimates and many of the standing committees of the House are now charged with a fairly heavy legislative program—that each committee will be given ample time to examine the estimates so as to ensure that no committee will be charged with examining the estimates one week before cut-off time; and second, that ministers of the House will attend the committees' meetings so that committees may examine ministers on questions of policy which heretofore has not been possible.

Mr. Speaker: Order, please. Before the President of the Privy Council proposes to make any comment on that question, I should point out to hon. members that Standing Order 59, under which the motion is being put, reads as follows:

A motion, to be decided without debate or amendment, may be moved ...

I know of no other interpretation of the procedure we are proposing to follow by allowing questions of the minister except that it would constitute some sort of debate. If the President of the Privy Council (Mr. Sharp) proposes to make some comment at this stage, I would like to make it perfectly clear that there is no machinery whereby, without the unanimous consent of the House, we can open up the subject for debate at this time.

I allowed the two House leaders of the opposition parties to indicate, in the usual way, that they were prepared to accept the motion. This is customary and permissible. However, I should make it quite clear that I have no power to open up the matter for debate. This motion will have to be passed without debate or amendment.

Mr. Sharp: Having in mind your comments that we should not participate in a debate, may I assure the hon. member that so far as ministers are concerned I have warned them that they are to consider this their first priority so that they can attend the committees.

Mr. Speaker: Is the motion put forward by the President of the Privy Council and under those terms agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Motion agreed to.

* * *

IMMIGRATION

REFERENCE OF GREEN PAPER TO SPECIAL JOINT COMMITTEE

On the order: Government notices of motion:

February 21, 1975—The President of the Privy Council—the following proposed motion:

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider the green paper on immigration policy tabled by the Minister of Manpower and Immigration in the House of Commons on February 3, 1975; and to invite the views of the public on the issues raised therein;

Order Paper Questions

That 15 members of the House of Commons to be designated at a later date be members on the part of this House on the Special Joint Committee;

That the committee have power to appoint from among its members such sub-committees as may be deemed advisable and necessary and to delegate to such sub-committees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have power to adjourn from place to place within Canada;

That the committee be empowered to retain the services of advisers to assist in its work; and that it also be empowered to retain the professional, clerical and stenographic help as may be required;

That the committee submit their report not later than July 31, 1975;

That the quorum of the committee be 12 members whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when 6 members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed special joint committee.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the House.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 241, 351, 483, 519, 1,054, 1,055, 1,056, 1,057, 1,058, 1,059, 1060, 1,061, 1,062, 1,063, 1,064, 1,065, 1,066, 1,067, 1,068, 1,069, 1,070, 1,071, 1,072, 1,073, 1,074, 1,075, 1,076, 1077, 1,078, 1,137, 1,218, 1,229, 1,230, 1,239, 1,258, 1,262, 1,264, 1,281, 1,299, 1,311, 1,313, 1,315, and 1,366.

Mr. Speaker, if questions Nos. 428, 728, 975, and 1,186 could be made orders for return, these returns would be tabled immediately.

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

[*Text*]

CANADIAN FOREIGN POLICY

Question No. 241—**Mr. Cossitt:**

1. Did Mr. Ivan Head, Foreign Policy Advisor to the Prime Minister, make a statement to members of the Press on Wednesday, September 25, 1974 to the effect that Canada will pursue an activist left wing role in foreign affairs?

2. Did the Prime Minister make a statement to the Press on Tuesday, October 1, 1974 to the effect that it is "pure fiction" that Canada will pursue an activist left wing role in foreign affairs?

[Mr. Speaker.]

3. Did the Secretary of State for External Affairs make a statement in an interview with newspaperman Duart Farquharson confirming that Canada will pursue an activist left wing role in foreign affairs?

4. What are all the reasons for these apparent discrepancies?

5. Will the Prime Minister, Mr. Ivan Head and the Secretary of State for External Affairs be meeting together in the near future for the purpose of arriving at an agreed on foreign policy for Canada and, if so, will this policy be, or will it not be, an activist left wing role in foreign affairs?

Hon. Mitchell Sharp (President of the Privy Council):

1. No.

2. Yes.

3. No.

4. In the light of the answers to Parts 1, 2 and 3, Part 4 is non-applicable.

5. Part 5, like Part 4, is non-applicable.

ATTENDANCE OF PERSONS FROM FRANCE AS FACULTY MEMBERS OR STUDENTS AT CANADIAN UNIVERSITIES

Question No. 351—**Mr. Jones:**

1. How many persons from France attended universities in Canada from the years 1964 to 1973 in lieu of serving in military service in France (a) as students (b) as members of the staff or faculty?

2. How many persons from France are attending universities in Canada as members of the staff or faculty or as students in lieu of serving in military service in France?

3. At what universities did the persons mentioned in Parts 1 and 2 attend?

4. What were the numbers in attendance in each of the years 1964 to 1973 at the respective Canadian universities?

5. What (a) financial assistance (b) other assistance was rendered by the government to carry out this programme and, in each case, what was the total cost for each of the years 1963 to 1973 inclusive?

6. What other countries have similar arrangements?

7. What department of government and which Ministers are responsible for the conduct and operation of such programmes?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Manpower and Immigration as follows: 1, 2, 3 and 4. Persons entering Canada temporarily as a result of a cultural agreement between the Government of the French Republic and the Government of the Province of Quebec must simply fulfil the immigration requirements appropriate to their category of entry. The Department of Manpower and Immigration treats each entrant as an individual case, therefore no group information or statistics are available for persons related to this agreement.

5. The Department of Manpower and Immigration provides no financial assistance in this regard.

6. The Government of Canada has no similar agreements with any country.

7. The Department of Manpower and Immigration is concerned with this program only insofar as ensuring that individual members meet the appropriate immigration requirements.

NUMBER OF FEDERAL EMPLOYEES WORKING IN HULL, QUEBEC AND SURROUNDING COUNTIES

Question No. 483—Mr. Cossitt:

What was the total number of government employees working in Hull, Quebec and in the surrounding counties at the end of the fiscal year (a) March 31, 1968 (b) March 31, 1974?

Hon. Mitchell Sharp (President of the Privy Council): (a) 2,095; (b) 4,769.

BUTTER IMPORTS

Question No. 519—Mr. Lambert (Bellechasse):

1. Has Canada imported any butter during the first eight months of 1974 and, if so, how many pounds were imported and in which months?

2. (a) From which countries were the imports made (b) how many pounds were imported from each country (c) what was the price per pound?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1 and 2. Imports of butter into Canada during the first eight months of 1974 amounted to 24,949,700 pounds for a value of $13,505,000. A further breakdown of these totals by country of consignment by month is provided on the attached table.

Imports of Butter—January to August 1974

Month	Country	Quantity (lbs.)	Value ($)	Unit Price
January	New Zealand	3,333,400	1,933,000	$0.58
	United States	392,000	241,000	0.61
	Total	3,725,400	2,174,000	0.58
February	Ireland	253,600	127,000	0.50
	Australia	5,812,000	3,084,000	0.53
	New Zealand	2,222,200	1,165,000	0.52
	Total	8,287,000	4,376,000	0.53
March	Ireland	35,700	21,000	0.59
April	Australia	4,479,700	2,521,000	0.56
May	United States	235,200	104,000	0.44
June	nil	nil	nil	nil
July	Finland	1,572,200	770,000	0.49
	Sweden	2,204,500	1,059,000	0.48
	Total	3,776,700	1,830,000	0.48
August	Sweden	4,409,200	2,480,000	0.56
Cumulative Totals—January to August 1974				
	Ireland	289,300	148,000	0.51
	Finland	1,572,200	770,000	0.49
	Sweden	6,613,700	3,540,000	0.54
	Australia	10,291,700	5,604,000	0.55
	New Zealand	5,555,600	3,098,000	0.56
	United States	627,200	344,000	0.55
	Total	24,949,700	13,505,000	0.54

On account of rounding, individual differences may arise between totals and sums of constituent items.

DREE—GRANT TO WALTHAM CREATIVE PRINTING, ARNPRIOR

Question No. 1,054—Mr. Dick:

1. Was a Department of Regional Economic Expansion grant made to Waltham Creative Printing of Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Govern-

ment Organization Act 1969, between the Government of Canada and the Applicant on August 16, 1971. (b) The amount of the offer was $113,100. (c) The offer contemplated 24 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. No payments were made.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation of The Regional Development Incentives Act and On Special Area Incentives.

4. The company never started the project.

5. Not applicable.

DREE—GRANT TO VALEWOOD PRODUCTS LTD. RENFREW, ONT.

Question No. 1,055—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Valewood Products Ltd. of Renfrew, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on February 4, 1971. (b) The amount of the offer was $171,675. (c) The offer contemplated 57 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $132,490 on September 9, 1971.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company was declared bankrupt in November, 1972.

5. Not applicable.

DREE—GRANT TO UNION CARBIDE CANADA, ARNPRIOR

Question No. 1,056—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Union Carbide Canada of Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the Company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the applicant of January 20, 1972. (b) The amount of the offer was $126,750. (c) The offer contemplated 69 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $45,384 in June, 1974.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The facility is a going concern. Dow Badische Company now operates the facility.

5. The facility has approximately 70 employees.

DREE—GRANT TO STEP-LITE MANUFACTURING, RENFREW, ONTARIO

Question No. 1,057—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Step-Lite Manufacturing of Renfrew, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on October 15, 1971. (b) The amount of the incentive was $216,725. (c) The offer contemplated 88 new jobs. (d) The offer was accepted. (e) The amount of the offer has now been changed to $192,604.

2. The company received $72,294 in August, 1972.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes

only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company ceased operations in January, 1973.

5. Not applicable.

DREE—GRANT TO SPINDLER FURNITURE, ARNPRIOR, ONTARIO

Question No. 1,058—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Spindler Furniture of Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on September 26, 1972. (b) The offer amounted to $103,050. (c) The offer contemplated 45 new jobs. (d) The offer was accepted. (e) The amount of the offer was changed to $98,550.

2. The company received $48,957 on July 6, 1973 and $31,812 on March 11, 1974.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company encountered financial difficulties but has been re-organized and is now operating at anticipated levels, under the new name, Arnprior Furniture Manufacturing Co. Ltd. The original investors no longer have control of the company.

5. The company now has 45 employees.

DREE—GRANT TO RENFREW MACHINERY, RENFREW, ONTARIO

Question No. 1,059—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Renfrew Machinery of Renfrew, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on July 25, 1973. (b) The amount of the offer was $445,600. (c) The offer contemplated 56 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. No payment has yet been made.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company has not yet established continued commercial production. The original investors still have control.

5. Employment levels are approximately 25.

DREE—GRANT TO R.E. HODGINS INDUSTRY, RENFREW, ONTARIO

Question No. 1,060—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to R.E. Hodgins Industry of Renfrew, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on October 20, 1970. (b) The amount of the offer was $79,200. (c) The offer contemplated 13 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $66,624 in April, 1972.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company is a going concern. The original investors still have control.

5. The company now has 15 employees.

DREE—GRANT TO QUEXOIL LTD., COBDEN, ONTARIO

Question No. 1,061—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Quexoil Ltd. of Cobden, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on April 2, 1971. (b) The amount of the offer was $51,000. (c) The offer contemplated 30 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $42,960 in November, 1972.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company recently ceased operations to arrange a re-organization plan. The original investors still have control.

5. Not applicable.

DREE—GRANT TO QUALICON CONCRETE, ARNPRIOR, ONTARIO

Question No. 1,062—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Qualicon Concrete of Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on January 3, 1974. (b) The amount of the offer was $67,750. (c) The offer contemplated 23 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. No payment has yet been made.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company is expected to reach commercial production in December 1974. The original investors still have control.

5. Not applicable.

DREE—GRANT TO PLAYTEX LTD., ARNPRIOR, ONTARIO

Question No. 1,063—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Playtex Ltd. of Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on February 6, 1974. (b) The amount of the offer was $200,595. (c) The offer contemplated 79 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. No payments have yet been made.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report on The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The project is nearing completion. The original investors still have control.

5. Not applicable.

DREE—GRANT TO NORTRAC MANUFACTURING, ARNPRIOR, ONTARIO

Question No. 1,064—Mr. Dick:

1. Was a Department of Regional Economic Expansion grant made to Nortrac Manufacturing of Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion) 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on November 8, 1971. (b) The amount of the offer was $75,700. (c) The offer contemplated 32 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $58,189 in April, 1972.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company ceased operations in 1974.

5. Not applicable.

DREE—GRANT TO NORANDA METAL INDUSTRIES, ARNPRIOR

Question No. 1,065—Mr. Dick:

1. Was a Department of Regional Economic Expansion grant made to Noranda Metal Industries of Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on March 11, 1974. (b) The amount of the offer was $2,203,700. (c) The offer contemplated 100 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. No payment has yet been made.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only, based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The facility is under construction. The original investors still have control.

5. Not applicable.

DREE—GRANT TO MAGLINE OF CANADA LTD., RENFREW, ONTARIO

Question No. 1,066—Mr. Dick:

1. Was a Department of Regional Economic Expansion grant made to Magline of Canada Ltd. of Renfrew, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act, 1969 between the Government of Canada and the Applicant on November 1, 1972. (b) The amount of this offer was $61,500. (c) The offer contemplated 18 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $51,540 in April, 1974.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company is a going concern. The original investors still have control.

5. The company now has 12 employees working on this new product/expansion.

DREE—GRANT TO LINDAL CEDAR HOMES LTD., RENFREW, ONTARIO

Question No. 1,067—Mr. Dick:

1. Was a Department of Regional Economic Expansion grant made to Lindal Cedar Homes Ltd. of Renfrew Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what

amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on June 30, 1972. (b) The amount of the offer was $404,250. (c) The offer contemplated 86 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $265,911 in March, 1974.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company is a going concern. The original investors still have control.

5. The company has 26 employees.

DREE—GRANT TO HY-HOE CORPORATION LTD., ARNPRIOR, ONTARIO

Question No. 1,068—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Hy-Hoe Corporation Ltd. of Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on January 10, 1973. (b) The amount of the offer was $303,600. (c) The offer contemplated 38 new jobs. (d) The offer was accepted. (e) The amount of the offer is subject to change.

2. The company received $204,245 in March, 1974.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of the Regional Development Incentives Act and On Special Area Incentives.

4. The company is in receivership but negotiations are underway to ensure continued operation. The company is now under the control of a receiver.

5. The level of employment is fluctuating at present.

DREE—GRANT MADE TO HANSON MILLS LTD., RENFREW, ONTARIO

Question No. 1,069—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Hanson Mills Ltd. of Renfrew, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on August 16, 1971. (b) The amount of the offer was $39,686. (c) The offer contemplated 24 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $5,373 in February 1972 and $24,960 in July 1972.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On the Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company is a going concern. The original investors still have control of the company.

5. The company now has 32 employees.

DREE—GRANT TO HALEY INDUSTRIES LTD., HALEY STATION, ONTARIO

Question No. 1,070—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Haley Industries Ltd. of Haley Station, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on October 12, 1973. (b) The amount of the offer was $130,887. (c) The offer contemplated 48 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. No payment has yet been made.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company is just starting commercial production. The original investors still have control.

5. Not applicable.

DREE—GRANT TO GOMES YARNS LTD., ARNPRIOR, ONTARIO

Question No. 1,071—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Gomes Yarns Ltd. of Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on March 21, 1972. Applicant's name was then Jari Industries Ltd. (b) The amount of the offer was $145,965. (c) The offer contemplated 44 news jobs. (d) The offer was accepted. (e) The offer was amended in November, 1972, the amount of the offer being reduced to $98,765 and the name of the applicant being changed to Gomes Yarns Ltd.

2. No payment has yet been made.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company has not started commercial production.

5. Not applicable.

DREE—GRANT TO GARY WILSON TIRE SERVICE, RENFREW, ONTARIO

Question No. 1,072—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Gary Wilson Tire Service of Renfrew, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on September 28, 1972. (b) The amount of the offer was $21,969. (c) The offer contemplated six new jobs. (d) The offer was accepted. (e) The offer was amended in March, 1973 to $13,498.

2. The company received $12,418 in October, 1973.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company is a going concern. The original investors still have control.

5. This is an expansion project but more than six new jobs have been created.

DREE—GRANT TO EDUCATIONAL FITMENT, WHITELAKE, ARNPRIOR, ONTARIO

Question No. 1,073—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Educational Fitment of Whitelake, Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on October 23, 1974. (b) The amount of the offer was $35,830. (c) The offer contemplated nine new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. No payment has yet been made.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The facility is under construction. The original investors still have control.

5. Not applicable.

DREE—GRANT TO EDUCATIONAL FITMENT, RENFREW, ONTARIO

Question No. 1,074—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Educational Fitment of Renfrew, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

M. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the applicant on September 7, 1971. (b) The amount of the offer was $42,290. (c) The offer contemplated 9 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $26,583 in October 1972.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this bill will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

[Mr. Dick.]

4. The company was destroyed by fire in March 1974.

5. Not applicable.

DREE—GRANT TO CHASE NUCLEAR (CANADA), ARNPRIOR, ONTARIO

Question No. 1,075—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Chase Nuclear (Canada) of Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act, 1969 between the Government of Canada and the Applicant on October 26, 1973. (b) The amount of the offer was $496,500. (c) The offer contemplated 33 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. No payment has yet been made.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation of The Regional Development Incentives Act and On Special Area Incentives.

4. The facility is still under construction. The original investors still have control.

5. Not applicable.

DREE—GRANT TO ACME SEELY LTD., RENFREW, ONTARIO

Question No. 1,076—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Acme Seeley Ltd. of Renfrew, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the orginal private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a)

An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on March 12, 1971. (b) The amount of the offer was $862,850. (c) The offer contemplated 137 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $592,998 in March, 1972.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company is a going concern. The original investors still have control.

5. The company now has 170 employees.

DREE—GRANT TO HYPERNETICS LTD., ARNPRIOR, ONTARIO

Question No. 1,077—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Hypernetics Ltd. of Arnprior, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made. (a) An Agreement was entered into, pursuant to the Government Organization Act 1969, between the Government of Canada and the Applicant on April 6, 1972. (b) The amount of this offer was $136,600. (c) The offer contemplated 55 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $96,222 in April, 1974.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company is a going concern. The original investors still have control.

5. The company now has 13 employees.

DREE—GRANT TO EDWIN D. KENNEDY LUMBER, WABA, ONTARIO

Question No. 1,078—**Mr. Dick:**

1. Was a Department of Regional Economic Expansion grant made to Edwin D. Kennedy Lumber of Waba, Ontario, in the constituency of Lanark-Renfrew-Carleton within the specially designated Renfrew-Pembroke area and, if so (a) on what date was the offer made (b) what amount was the offer (c) how many jobs did the offer contemplate (d) was the offer accepted (e) did the amount of the offer change and, if so, what was the new amount?

2. How much has been paid to the Company and on what dates?

3. Of the total capital invested in the new enterprise, what percentage was private capital and, of this, what percentage was (a) in equity (b) debt financing?

4. Is the Company now a going concern, in receivership or did it go bankrupt and, if a going concern, do the original private investors still have control?

5. How many employees does the Company now have?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Yes, an offer of incentive assistance was made to the company. (a) An Agreement was entered into, pursuant to the Government Organization Act, 1969 between the Government of Canada and the applicant on March 17, 1971. (b) The amount of the offer was $132,950. (c) The offer contemplated 21 new jobs. (d) The offer was accepted. (e) The amount of the offer was not changed.

2. The company received $115,310 in March 1972.

3. Details on the company's financing and debt/equity position are supplied to DREE for evaluation purposes only based on an understanding with the company that this will be treated as confidential information. Refer to page 4, Report On The Operation Of The Regional Development Incentives Act and On Special Area Incentives.

4. The company is a going concern. The original investors still have control.

5. The company has 21 employees but may cut back due to the slump in the lumber market.

ANNUAL INTEREST ROYALTY CHARGED ON UNPAID ACCOUNTS

Question No. 1,137—**Mr. Forrestall:**

1. Are any departments, other than the Department of Transport, presently engaged in charging on their over-due accounts an annual interest-penalty representing 120 per cent of the unpaid accounts and, if so (a) which ones (b) on what dates were these rates established?

2. Are any agencies, departments or other bodies established by the Crown presently engaged in charging a monthly penalty of 10 per cent as is the case with the National Harbours Board as indicated in answer to Question No. 455, on accounts unpaid and, if so, which ones?

Hon. Mitchell Sharp (President of the Privy Council): I am informed as follows: 1 and 2. No.

PUBLIC SERVICE—NUMBER OF INDIVIDUALS HIRED SINCE 1964

Question No. 1,218—**Mr. Rondeau:**

1. From 1964 to date, how many persons were hired to fill (a) new positions (b) vacancies in each department and Crown corporation?

2. How many of these were previously employed in the field of journalism?

3. What is (a) the date of employment (b) the name (c) the annual salary and expense allowance (d) the type of employment of such persons mentioned in Part 2?

Hon. Mitchell Sharp (President of the Privy Council): The government does not maintain records which would

enable it to trade the subsequent careers of those who at one time were employed in the field of journalism. In order to answer this question, it would be necessary to review the personal files of every individual employed in the Public Service of Canada. In view of the workload involved, the government does not feel justified in undertaking such a review.

CPR—MONTREAL-LAKESHORE COMMUTER

Question No. 1,229—**Mr. Herbert:**

1. Does the Canadian Pacific Railway commuter service along the Lakeshore from Montreal sustain heavy losses?

2. Is this commuter service subsidized by any government body or is the loss borne 100 per cent by CP Rail?

3. What steps are being considered in the form of legislation, subsidy or other means to improve the service so as to encourage greater use of public transportation?

Hon. Jean Marchand (Minister of Transport): Canadian Transport Commission advises as follows: Yes. The service is not subsidized by any government body; the loss is borne 100 per cent by CP Rail.

Ministry of Transport advises as follows: During the summer of 1974 the government announced a capital assistance program designed to enable transit authorities to expand and upgrade their services to Canadian communities, thereby encouraging greater use of public transportation. Policy work on this initiative which encompass both commuter rail and urban transit systems is currently in its final stages.

ANNUAL BUDGETS FOR CANADIAN CULTURAL CENTRES IN PARIS, BRUSSELS AND LONDON

Question No. 1,230—**Mr. Bawden:**

1. What are the annual individual budgets for the Canadian cultural centres in (a) London, England (b) Paris, France (c) Brussels, Belgium?

2. If there is a difference between the budgets allocated to these centres, what is the reason?

3. Is the hand-out literature in all three centres bilingual and, if not, for what reason?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The budgets for the 1974-75 fiscal year of the above centres mentioned are: (a) London, $97,800; (b) Paris, $130,000; (c) Brussels, $15,000.

2. The Cultural Centre in Paris was established in a building separate from the Embassy in 1970 and has a developing programme which includes concerts, art exhibitions, film presentations, seminars, etc. The Cultural and Information Centre in Brussels, which was created in 1974, is physically part of the Embassy Chancery, and consists of a multiple purpose room for art exhibitions, seminars, film screenings, etc., a music room and a library. The facilities are limited in size and the scope of the programme is modest. In London there is not yet a Cultural Centre as such. The facilities at present available at Canada House consist of a library and an art gallery which was established in the general reception area of the Chancery. Other programmes will be developed when additional space can be converted appropriately for concerts, film showings, lectures, seminars and the like.

[Mr. Sharp.]

3. The hand-out literature of Canadian origin which is made available to all three locations is bilingual. The libraries concerned contain books in English and in French. Catalogues, releases, periodicals and news-letters produced locally are normally in the language or languages of the publics to which they are addressed.

TRANSPORTATION STUDY OF HARBOURS, NEWFOUNDLAND

Question No. 1,239—**Mr. Marshall:**

Has the Department of Transport (a) completed its Newfoundland Transportation Study of Harbours (b) consulted with the City of Corner Brook with regard to the report's findings (c) made the report available to the public?

Hon. Jean Marchand (Minister of Transport): The ministry has no formal Transportation Study of Harbours in Newfoundland. We are presently holding discussions with the Department of Regional Economic Expansion, the Province of Newfoundland and the city of Corner Brook with respect to undertaking a study of potential port development at Corner Brook. This study is expected to begin in April and be of about six months' duration.

TOTAL COST OF PEACEKEEPING IN UNEF

Question No. 1,258—**Mr. Forrestall:**

What has been the total cost of peacekeeping in the United Nations Emergency Force in the Middle East in respect of Canadian activities to the end of 1974?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The Department of National Defence had spent $23,487,282 on peacekeeping operations with the United Nations Emergency Force in the Middle East up to the end of 1974. In addition, the Department of External Affairs had contributed the sum of US $3,809,640 to the United Nations as Canada's assessed proportion of the costs of peacekeeping activities in the Middle East.

RCMP STRENGTH—NOVA SCOTIA

Question No. 1,262—**Mr. Forrestall:**

1. (a) How many RCMP officers were in the Province of Nova Scotia for (i) 1964 (ii) 1969 (iii) 1974 (b) what will the total be for 1975?

2. For each of the above years, what has been the cost per man paid by (a) the government (b) the Government of the Province of Nova Scotia?

Hon. Warren Allmand (Solicitor General): 1. (i) 331; (ii) 409; (iii) 569; (iv) 596.

2. 1964/65: (a) $5,033; (b) $3,356; 1969/70: (a) $8,235; (b) $6,470; 1974/75: (a) $12,587; (b) $12,094; 1975/76: (a) $14,498; (b) $14,498 (Estimate).

RCMP—NUMBER EMPLOYED ON FEDERAL AND MUNICIPAL DUTIES, NOVA SCOTIA

Question No. 1,264—**Mr. Forrestall:**

1. (a) How many RCMP officers are to be engaged in purely federal statute law enforcement by statute concerned where applicable (b) where are they to be based in Nova Scotia for 1975?

2. (a) How many RCMP officers will be engaged in 1975 in provincial statute work, such as highway patrol, municipal policing etc., in the

Province of Nova Scotia for which the provincial government assumes partial or otherwise financial responsibility (b) in what localities and in what numbers are these men to be found?

3. (a) What was the average cost for such officers for the last available period (b) what is the estimated cost per man in 1975 and, for each, what is the breakdown in dollar terms between the government and the Province of Nova Scotia?

Hon. Warren Allmand (Solicitor General): 1. (a) and (b)

	Halifax	Sydney	Truro	Total
Commercial Fraud	6	—	—	6
Drugs	7	3	3	13
Immigration & Passport	1	—	—	1
Customs & Excise	6	2	—	8
Migratory Birds Conv. Act.	2	—	—	2
Others	17	—	—	17
Total	39	5	3	47

2. (a) and (b) Provincial Policing

Halifax	109	Antigonish	9
Chester	9	Guysborough	6
Dartmouth	30	New Glasgow	19
Kentville	16	Parrsboro	2
Kingston	5	Pugwash	3
Sheet Harbour	3	Sherbrooke	2
Windsor	8	Stewiacke	13
Barrington Passage	5	Tatamagouche	3
Bridgetown	9	Sydney	54
Bridgewater	8	Arichat	2
Digby	7	Baddeck	6
Liverpool	5	Cheticamp	2
Lunenburg	3	Glace Bay	7
Meteghan River	4	Ingonish Beach	4
Shelburne	5	Inverness	8
Yarmouth	12	Port Hawkesbury	15
Truro	40	St. Peters	3
Amherst	11	Total	447

Municipal Policing

Windsor	5	Parrsboro	2
Digby	3	Port Hawkesbury	6
Liverpool	4	Picton Town	6
Antigonish	7	Total	33

3. (a) 1974/75 Provincial $24,681 Municipal $19,266.51

(b)

	Per Capita Cost	Federal	Provincial
Provincial	$28,996	$14,498	$14,498
	Per Capita Cost		
Municipal	$22,428.79		

	Municipal	Federal
For 1st 5 men	$11,214.40	$11,214.39
For 6th and additional men	$16,829.59	$5,599.20

Order Paper Questions

DREE—SUBSIDY TO PANOFLEX LTD

Question No. 1,281—Mr. Allard:

1. Has the Department of Regional Economic Expansion approved the granting of a subsidy to Panoflex Ltd., Rimouski, Que., in the constituency of Rimouski and, if so, (a) on what date was the offer made (b) what was the amount (c) how many jobs were involved (d) was the offer accepted (e) was the amount of the offer changed and, if so, to what amount?

2. What amount was paid to the Company and on what date?

3. What was the proportion of private capital invested in the Company and what percentage of such amount was paid-up capital?

4. Is the Company in operation under seizure or bankruptcy and, if in operation, do the original investors from the private sector still control the Company?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. The Department of Regional Economic Expansion authorized a development incentive to Pan-O-Flex Inc. under the provisions of the Regional Development Incentives Act. (a) The offer was made on September 25, 1970; (b) The original amount offered was $31,195; (c) The creation of 16 jobs was forecast; (d) The offer was accepted on November 20, 1970; (e) The amount of the offer was subsequently lowered to $22,695 due to the company's decision not to proceed with the construction of a building.

2. An amount of $17,606 was paid to the company on September 30, 1971 for which a claim has been submitted to the trustee in bankruptcy.

3. The private capital committed to the enterprise at the time of the Department's payment was equivalent to 40 per cent of the total amount then invested. This private capital included both shareholder loans and paid-up equity, with the latter representing 21 per cent of total investment.

4. The company was declared bankrupt on September 19, 1972. The trustee in bankruptcy has not yet been discharged.

DEPARTMENT OF COMMUNICATIONS—PERSONNEL

Question No. 1,299—Mr. Paproski:

1. How many full-time employees were under salary in the Department of Communications on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. Gérard Pelletier (Minister of Communications): In reply to the above mentioned question I submit the following answer: 1. (a) 1,635 employees; (b) 1,879 employees.

2. 1974: (a) 663; (b) 836; (c) 124; (d) 12; 1975: (a) 648; (b) 1,002; (c) 197; (d) 32.

DEPARTMENT OF MANPOWER AND IMMIGRATION—PERSONNEL

Question No. 1,311—Mr. Paproski:

1. How many full-time employees were under salary in the Department of Manpower and Immigration on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): 1. (a) 9,947; (b) 11,116.

2. As of January 1, 1974: (a) 4,288; (b) 5,434; (c) 211; (d) 14; As of January 1, 1975: (a) 3,989; (b) 6,639; (c) 441; (d) 47.

DEPARTMENT OF PUBLIC WORKS—PERSONNEL

Question No. 1,313—Mr. Paproski:

1. How many full-time employees were under salary in the Department of Public Works on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. C. M. Drury (Minister of Public Works): 1. (a) 5,968; (b) 6,271.

2. 1974: (a) 4,268; (b) 1,452; (c) 204; (d) 44; 1975: (a) 3,557; (b) 2,253; (c) 416; (d) 45.

DEPARTMENT OF NATIONAL REVENUE—PERSONNEL

Question No. 1,315—Mr. Paproski:

1. How many full-time employees were under salary in the Department of National Revenue on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. Ron Basford (Minister of National Revenue): 1. (a) 19,403; (b) 20,471.

2. 1974: (a) 8,115; (b) 10,733; (c) 514; (d) 41; 1975: (a) 6,952; (b) 12,824; (c) 639; (d) 56.

DAVIES APIARIES—COMPENSATION CLAIM FOR DAMAGES

Question No. 1,366—Mr. Cossitt:

1. Did the Minister of Agriculture receive a letter dated January 3 from the Member of Parliament for Leeds on the subject of a claim for damages against the government by Davies Apiaries and, if so, has this letter been answered and, if not, for what reason?

2. What action is the government taking to bring about immediate settlement of this long over due claim?

3. Is the Minister aware of the difficulties being created for Davies Apiaries by the fact that the government has allowed many months to go by without settling this matter and will the government take immediate action to see that this taxpayer receives the attention to which he is entitled?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes.

2 and 3. See answer to Question 887. Inasmuch as the claim made by Davies Apiaries involves the question of legal liability of the Crown and an aerial spray company for the damages allegedly sustained by Davies Apiaries, it is considered that no further comments should be made pending judicial determination or a settlement of the claim.

[Mr. Paproski.]

QUESTIONS ON THE ORDER PAPER

NAMES OF BOARDS, COMMISSIONS AND CROWN CORPORATIONS WHICH REPORT TO PARLIAMENT

Question No. 428—Mr. Reid:

What are the names of all agencies, boards, commissions, Crown corporations, presently in operation who report (a) to Parliament directly through a Cabinet Minister (b) to a Cabinet Minister through a Deputy Head?

Return tabled.

LANGUAGE TRAINING

Question No. 728—Mr. Herbert:

Are public servants listing French as their mother tongue presently taking government sponsored training in the French language and, if so, how many such persons are there in the National Capital Region and what is the reasoning for giving such instruction?

Return tabled.

INTERNATIONAL CENTRE OF COMPARATIVE CRIMINOLOGY, UNIVERSITY OF MONTREAL

Question No. 975—Mr. Rodriguez:

1. What are all the contributions provided by the government, including the Department of the Solicitor General and the Canadian International Development Agency, to the International Centre of Comparative Criminology at the University of Montreal?

2. What reports have been prepared as a result of these expenditures?

3. (a) Has the Centre, as alleged by the March 11, 1972 edition of the French language publication *Perspectives*, sent advisors to train the police forces of certain African or South American totalitarian regimes (b) what role did these persons play in the Centre's study of Canadian police, under a reputed grant of $150,000 from the Department of the Solicitor General?

4. (a) What have been the positions of Alice Parizeau at the Centre and what is her relationship to leading separatist Jacques Parizeau (b) what role did she play in the recent study of police in Canada, paid for by the Department of the Solicitor General (c) is the Centre involved in providing surveillance (i) of students at the University of Montreal or elsewhere (ii) of Canadian law enforcement activities (d) what roles have members of the Police Security Planning and Analysis Group, formerly the Security Planning and Research Group, of the Department of the Solicitor General and Canadian Defence officials taken in the Centre's activities?

Return tabled.

PROJECTS APPROVED AS A RESULT OF RECOMMENDATION BY MEMBERS OF PARLIAMENT

Question No. 1,186—Mr. Korchinski:

In each constituency, how many projects were accepted as a result of recommendations made by constituency advisory groups or Members of Parliament?

Return tabled.

Mr. Cossitt: Mr. Speaker, I rise on a point of order, similar to one which I have raised before, concerning certain unanswered questions on a subject that always seems to be so popular on the other side of the House. I refer to question No. 1,145 asking for information concerning the Prime Minister's second opulent $80,000 Cadillac purchased from public funds, and I refer to questions Nos. 1,232, 1,233, and 1,294 on the subject of the mysterious and

luxurious swimming pool at Sussex Drive regarding which I have asked for the names of the donors, whether the Prime Minister himself is a donor, and whether the donors are being allowed to deduct the full amount of their donations, regardless of size, for income tax purposes.

It seems to me that these questions have been outstanding long enough for answers to have been prepared, and I think that before the Prime Minister leaves for Europe it would not be too much to expect him to stop hiding legitimate information behind non-answers and flippant replies.

● (1520)

ORAL QUESTION PERIOD

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have questions for the President of the Treasury Board. He is not here. Perhaps he will be in later. If not, I will ask him tomorrow.

* * *

ENERGY

PETROLEUM PRODUCTS—REASON FOR REMOVAL OF PRICE CEILING AND BASING PRICE INCREASES ON SEPTEMBER, 1973

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources arising out of a press release which he issued on Friday morning on a subject which was of sufficient importance to announce in the House rather than sneak it into the press gallery. I want to ask him a question with reference to his agreement to remove the price ceilings upon petroleum products, and more particularly I want to ask him why he has agreed to allow the oil companies to raise their prices to reflect increased costs of gasoline, home heating fuel and related products on the basis of their cost in 1973 in view of the fact that 1974 was a bonanza year for the oil industry and that Gulf Oil Company showed profits that year of an increase of 61 per cent, although their sales revenue went up by only 50 per cent. I want to ask the minister why it was necessary to remove these price ceilings on petroleum products, and particularly why they were based on September, 1973.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, with regard to the hon. gentleman's opening comment, he may recall if he looks back, that in May of 1974 when a similar authorization was permitted for non-crude costs, it was handled in the same way, that is to say, by Telex to the trade after informing the provincial ministers and then by the press release.

With regard to the non-crude costs involved since 1973, as the hon. gentleman would realize upon reflection, there have been these increases both in the costs of labour, other inputs in the refining process, and in particular of significance for the independent dealers, additional costs in transportation. It is on the basis of that, since they have not been able to take advantage of passing on these costs except for the increase allowed last May, that we reflect right back to that date, and that using that as the base date for monitoring their increases, they will of course not be permitted to go beyond the actual costs encountered, and which of course we will audit.

PETROLEUM PRODUCTS—SUGGESTION COMPANIES DEMONSTRATE NEED FOR PRICE INCREASE—METHOD OF MONITORING PRICE INCREASES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Since the minister is concerned about any increased cost or alleged increase in cost for refining and marketing the petroleum products, I want to ask the minister why he has not required the companies to demonstrate in each case where they want an increase in price that increased costs actually warrant an increase in the price of gasoline, home heating fuel and bunker 'C', rather than removing the ceiling completely and leaving the Canadian consumers at the mercy of the oil industry without any defence whatsoever.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): We have required the companies to do that. It was on the basis of these particular cost figures that the decision was made. The cost figures varied so much from company to company and from sector to sector that rather than allowing a single increase, as was allowed in May of last year, it was decided it was preferable to allow each individual refinery to take the increases which it had alleged had occurred in that period of time, to monitor those in the case of each particular company and to let competition take care of the level between them.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The minister has said that he is going to monitor those increases. I would like to ask the Minister what agency in his department will do the monitoring, whether they will monitor each individual company which raises its price, on what basis will he allocate the increased cost to gasoline, to home heating fuel and to bunker 'C', what share of the cost will go to each of these commodities, and on what basis will he allow increased costs for marketing. Is this to include the political advertising now being carried on by Imperial Oil? If the Canadian people are going to pay more for petroleum products, surely they have a right to know from the minister how they are going to be protected, what monitoring will take place and what actual cost increases will be allowed to be reflected in the price which Canadians have to pay.

Mr. Macdonald (Rosedale): Mr. Speaker, the monitoring system has been fully described to the parliamentary committee, and the process followed by my department and the Energy Supplies Allocation Board have been fully set out along with provision for audit. I appreciate the question, however, and in the first place the department seeks and obtains the lists of posted prices from the individual refiners. We also obtain net revenue per gallon for major products such as gasoline and heating products from major wholesalers. We have commissioned a special Statistics Canada report on indexed price information

related to petroleum products, and it is prepared for the department on a monthly basis.

We survey as well all large industrial and commercial consumers as to whether they believe that their supplier has been conforming to the federal product price guidelines. There has been a very high response level. They have, in many cases, confirmed our previous knowledge. As well, we intend to initiate periodic surveys at the dealer level and there have, since the program started, been audits of all eleven companies made, and no major discrepancies have been uncovered between costs and actual prices charged.

PETROLEUM PRODUCTS—REASON FOR ALLOWING PRICE INCREASES RATHER THAN CHANGING NON-DEDUCTIBILITY PROVISION FOR ROYALTIES

Mr. Eldon M. Woolliams (Calgary North): I would like to follow along the same line of questioning as the hon. member for Nanaimo-Cowichan-The Islands and ask the minister quite succinctly whether he would please explain to the House, in his sudden concern for oil company cost increases, why he has chosen to place further pressure upon the Canadian consumer by authorizing home heating oil and related fuel price increases and refused instead, in conjunction with the Prime Minister and the Minister of Finance, to alleviate the cash problems and cost increases of the petroleum companies by eliminating the non-deductibility of provincial petroleum royalties clauses in Bill C-49 now under study by the committee of the whole House. Why did he choose that method against the consumer and not take a reasonable method in reference to this tax situation raised in my question?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The hon. gentleman's question ignores the very important fact that a critical section of the Canadian petroleum industry is made up of the independents, particularly the independent wholesalers, and that in order to keep this section viable—and they, of course would not have the benefit of any production income as the majors do—it is important to have the allowable cost structure bear some relationship to the actual costs which have been incurred.

The debate on the tax bill has been an extensive one. We feel on the whole that there is a fair share of the revenue being received by these companies which should go to the national purse, that there is a fair share which should go to the provincial purse, and it is fair enough to leave some in the hands of the companies for the purpose of further development of resources. We think that the distribution of 20 per cent to the federal sector, 50 per cent to the provincial sector and 30 per cent to the industry is a reasonable division of the oil dollar revenue.

Mr. Woolliams: Can the minister explain to the House and to this country why the burden has now been put on all the consumers in reference to the cost of gasoline and the cost of heating fuel? Can he really justify the statement he has made in reference to passing the burden to every consumer in Canada?

Mr. Macdonald (Rosedale): Mr. Speaker, we think we can, and indeed we will be quite prepared to go into this again before the standing committee. I would remind the hon. member that the members of his party in Alberta would like to pass on to the consumers the world price for crude, which is something this government has resisted.

Some hon. Members: Hear, hear!

* * *

[Translation]

MANPOWER

LOCAL INITIATIVES PROGRAM—INQUIRY AS TO PAYMENTS FOR 1975-76

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I have a question for the hon. Minister of Manpower and Immigration.

Could he tell the House whether an initial payment has been made for the 1975-76 Local Initiatives Program?

[English]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will take the hon. member's question as notice.

* * *

HARBOURS

HAMILTON HARBOUR COMMISSION—REQUEST FOR ASSURANCE CABINET MINISTERS OR MEMBERS OF PARLIAMENT NOT INVOLVED IN COURT PROCEEDINGS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Prime Minister. I think it is a very important matter and we should have full disclosure at this particular time, knowing that this is what the Prime Minister would want. Has the Prime Minister had any discussions with his ministers regarding court proceedings involving the Hamilton Harbour Commission, and if so, what were the results? Can he advise that members of his cabinet or members of parliament are not involved by way of subpoenas or otherwise?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in response to the last part of the question, I know of no subpoena having been issued to any minister or member of the caucus. On the first part of the question, of course proceedings were taken at the provincial level. They were not taken through any consultation with me.

● (1530)

HAMILTON HARBOUR COMMISSION—POSSIBILITY PAYMENT FOR DREDGING BEING WITHHELD AWAITING COURT PROCEEDINGS

Mr. Lincoln M. Alexander (Hamilton West): A further supplementary, Mr. Speaker. The Prime Minister has answered the question in part. I would now ask if the Department of Transport is holding up final payment for dredging operations which are satisfactorily completed on the St. Lawrence because of improprieties in tendering and because of the need for final disposition of the Hamilton harbour court proceedings? Is the Prime Minister aware of this and if so, are the allegations true?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I am not aware of the allegations. I will look into the matter.

HAMILTON HARBOUR COMMISSION—ALLEGED STATEMENT OF SOLICITOR GENERAL MINISTER OF LABOUR NOT IMPLICATED IN COURT PROCEEDINGS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a supplementary question for the Solicitor General. In the Toronto *Star* of February 22 the minister was quoted as saying that the preliminary transcripts thus far relating to the Hamilton harbour matter do not implicate the Minister of Labour. This is reassuring but I should like to ask the Solicitor General whether in making that statement he is aware of that part of the evidence in the transcript referring to the telephone conversation recorded on April 2, 1974 between Mr. Elliott and Mr. Rindress of J. P. Porter Company, Limited?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I did not say what I was quoted as saying. I said I had not been advised. As a matter of fact I had not asked the RCMP about the proceedings in that particular case. I will have to check into the second part of the question.

* * *

AGRICULTURE

FERTILIZER REQUEST FOR ASSURANCE OF SUPPLIES

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the Minister of Agriculture. Every year about this time fertilizer dealers and some farmers take advantage of the United States market to sell fertilizer which normally might be used in Canada. Can the minister assure farmers that there will be adequate supplies of fertilizer this year?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, according to information which I received during the past week, it appears that there will be adequate supplies in most parts of Canada.

Mr. Korchinski: A supplementary question. Because sales of fertilizer across the border to the United States seem to have doubled since last year and because certain shortages, particularly in northern areas, result in higher prices, may I ask the minister if he has inquired whether fertilizer producers might be able to distribute their fertilizer in a more equitable fashion so that people in northern areas may avail themselves of any supplies which may become available at reduced prices?

Mr. Whelan: Yes, Mr. Speaker; we discussed all this with fertilizer manufacturers a few weeks ago and I am asking for an updated report on their progress. I am also told that because of the depressed prices of crops, in the United States, there is not the demand for fertilizer in that country that was expected, so the cutback in exports to the United States will make more fertilizer available to Canadians.

PUBLIC SERVICE

GOVERNMENT ACTION IF EMPLOYEES DESIGNATED ESSENTIAL LEAVE THEIR POSITIONS DURING ROTATING STRIKES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a question for the President of the Treasury Board. I believe that certain positions at airports are designated essential for purposes of safety and security and these are held by members of the GTL group. Can the minister advise the House whether some of these people have recently left their jobs during rotating strikes? If so, what measures is the minister taking to impress upon the people who occupy positions designated essential that they must remain on the job during rotating strikes?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, we intend to take action against every employee who is designated to stay in his job who has not done so. We respect the right to strike for everybody but those who do not have the right to strike should report to their jobs. If they do not we will prosecute as is provided under the law.

An hon. Member: You will lay them off.

Mr. Stanfield: A supplementary. Of course, I am only asking the minister about those employees who do not have the right to strike because their positions are designated essential. In view of the fact that such action does not seem to have been particularly successful in the past, can the minister give any assurance that what he proposes to do now will be any more effective?

Mr. Chrétien: Mr. Speaker, I have not put the mechanism in place myself. I follow the law as it is. I hope the prosecutions will be carried out very quickly so that they will be as efficient as possible.

Mr. Stanfield: A final supplementary, Mr. Speaker. I should like to ask the minister whether he can assure the House that the measures he proposes have any promise of being effective in view of the probability of weather conditions becoming more seasonable and the difficulties that would immediately arise as a result? Is the minister simply telling the House that he will do the best he can, but that the machinery in his hands is inadequate or can he give the House an assurance that he is in a position to take measures that would enforce the actual legal position?

Mr. Chrétien: Mr. Speaker, I am glad to see that the hon. Leader of the Opposition wants to achieve the same results as I do. I will take all measures under the law to ensure that essential services are protected.

STRIKE OF GENERAL LABOUR AND TRADES GROUPS—GOVERNMENT ACTION TO RE-OPEN NEGOTIATIONS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I hope it does not take the ten or twelve months that it took in the last instance to get action. In view of the fact that the Public Service Alliance spokesmen have indicated the strike will intensify by the end of the week unless the government reverses its current stand on wage

demands, can the minister tell the House of the efforts he has made over the weekend and during today with respect to the reopening of negotiations between the Treasury Board and the alliance?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I am informed there were informal talks going on today between the parties. I hope they will bring some resolution of the problems.

STRIKE OF GENERAL LABOUR AND TRADES GROUPS—REASON FOR FAILURE TO CONSIDER CONCILIATION REPORT OF UNION NOMINEE

Mr. J. M. Forrestall (Dartmouth-Halifax East): A final supplementary, Mr. Speaker. Can the minister inform the House whether the government has given consideration to the conciliation report prepared by a union nominee which represented a somewhat modified version of the original demands, requesting a 20.98 per cent increase for the first year and 12 per cent for the second year? If not, can the minister inform the House why this matter was rejected?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, it was because we have decided it advisable to take the majority report given by the chairman, who is a responsible person, who looked at the arguments on both sides and came to a conclusion.

WAGE OFFER TO GENERAL LABOUR AND TRADES GROUP—REQUEST FOR STATEMENT OF OVER-ALL WAGE POLICY

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, a supplementary question for the Prime Minister. It was reported, and the President of the Treasury Board has just confirmed, that the government is sticking to its earlier position of 26 per cent over two years. Is this because the government realizes that it must set an example to the rest of the country? If this offer to the GTL group is supposed to be an example, would it be fair to assume that it is related to some over-all policy? Does the government have an over-all policy on wage increases generally at this time and if so, what is that policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government did not stick to its original position as the hon. member alleges because, as the President of the Treasury Board has just indicated, we decided to accept the majority report. The government policy is contained in the acceptance of the majority report.

Mr. Baker (Grenville-Carleton): A supplementary, Mr. Speaker. Is the Prime Minister suggesting that the majority report ought to represent increases and other dealings in the economy for the coming year, and is he directing the effort in formulating an over-all program for which this is the foundation for the balance of the economy?

Mr. Trudeau: No, Mr. Speaker. As the hon. member knows each report is written in the particular circumstances of the case before the chairman of the board. Obviously, that is the way our labour laws work. When you set up a mediation or arbitration board it deals with the case before it, not some hypothetical case.

[Mr. Forrestall.]

EXTERNAL AFFAIRS

GOVERNMENT POLICY ON EXPORT OF ARMS TO TURKEY

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the President of the Privy Council in his capacity as Acting Secretary of State for External Affairs. In answer to a question I put last Thursday, the Secretary of State for External Affairs stated that it had not been the policy of the government to approve licences for the export of arms to Turkey during the recent conflict but that the situation had changed. He believed the policy had been modified but said he would like to refresh his memory before giving a definitive answer. May I now ask the minister whether the policy of not granting licences for the export of arms to Turkey has been modified? If so, how has the situation changed to justify this?

● (1540)

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, as I recall, the question which was put to my colleague was in relation to American arms being shipped through Canada to Turkey.

Mr. Brewin: Mr. Speaker, it had to do with Canadian arms.

Mr. Sharp: Mr. Speaker, the answer that I have here from the department is an answer to the supposed inquiry of the hon. member. May I take the hon. member's question as notice.

Mr. Brewin: A supplementary question, Mr. Speaker. If the minister cannot answer the question, would he look at last Thursday's *Hansard* and see precisely what the question was. It dealt initially with export licences for Canadian arms and materials to go to Turkey. That is the question to which I should like an answer. If he cannot answer today, I guess we will have to come back some other day.

* * *

[*Translation*]

INDUSTRY

TEXTILES—DATE OF REPORT OF TEXTILES AND CLOTHING BOARD

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, I have a question for the hon. Minister of Industry, Trade and Commerce.

Could the minister indicate to the House whether he has received the report of the Canadian Textile and Clothing Board, commissioned to inquire into the four sectors of the textile industry where there has been evidence of dumping by certain countries, and if so, could he tell us whether that report will be submitted this week as promised?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have received a number of reports from the textile and clothing board. These reports will be made public. At present they are undergoing intensive examination from the point of view of recommendations. I hope to be able to make a statement on the matter shortly.

TRANSPORT

BELL ISLAND, NEWFOUNDLAND—GOVERNMENT ACTION TO ALLEVIATE FOOD SHORTAGE

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct my question to the Minister of Regional Economic Expansion in his capacity as Acting Minister of Transport. What steps has the Department of Transport taken to alleviate what appears to be a critical shortage of food on Bell Island, Newfoundland, as a result of unseasonably heavy ice blockage.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, may I thank the hon. member for giving me notice of his question, as a result of which I have been able to determine that the *Humphrey Gilbert*, an icebreaker, is loading today with a cargo of supplies for Bell Island. It is expected that she will arrive at the island by noon, tomorrow. As the standard icebreaker, the *John Guy* is in drydock now and as the replacement vessel is not equipped for icebreaking, not even behind an icebreaker, the *Humphrey Gilbert* has been pressed into action, to take care of supply requirements.

* * *

INCOME TAX

RULES GOVERNING CANADIAN ISSUE OF A PERIODICAL

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, may I address my question to the Minister of National Revenue. It has to do with the content rules for Canadian magazines. If I may editorialize, I should think that statement was so important that it ought to have been made in this House. Having said that, let me ask this: What is the basis for the percentages announced by the minister? Is that decision supported by Order in Council. What regulation gave the minister the authority to bring in those percentages? What is the jurisprudence behind the decision.

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, we endeavour to avoid giving legal opinions in the House and the question which the hon. member asked is important. The news reports to which he referred are about statements I made relating to the general administrative advice that income tax authorities have given to those who inquired as to the meaning of "substantially the same", as used in reference to a Canadian issue of a periodical, as referred to in section 19(5)(f) of the Income Tax Act.

I emphasize that each periodical mentioned in that section must be judged on its merits. That is the kind of advice the administrators have been giving since 1965, when that section was first written. I might underline also, in view of the words used by the hon. member, that that section, as I am advised, does not speak of Canadian content and makes no reference to the word "content".

POSSIBLE APPLICATION OF NEW PROVISIONS TO NEWSPAPERS OWNED BY BRITISH INTERESTS

Mr. Gordon Towers (Red Deer): Mr. Speaker, may I direct a supplementary question to the Minister of National Revenue. In view of the statement the minister made about proposed legislation affecting *Time* and *Reader's Digest*, is it correct to assume that this legislation will not apply to the four western Canadian newspapers owned by interests in Liverpool, run with Canadian managers and editors and published by Canadians for the benefit of all Canadians; and is it also correct to assume that, as far as they are concerned, "it will be business as usual".

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, my statement on Friday, and the statements which have been referred to, related to intepretations which had been made as to the section as now written, not as to any proposed legislative changes that my colleague, the Secretary of State, will be introducing. Therefore, in that sense, the question is hypothetical. I understand that there have been discussions between those four western newspapers of which the hon. member spoke, and officers of my department, to see whether they can comply with existing legislation or possible proposed legislation.

* * *

SUPPLY AND SERVICES

CHANGE IN GRADES OF BEEF PURCHASED FOR ARMED FORCES—GOVERNMENT POSITION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is directed to the Minister of Supply and Services. As all beef purchased for the Canadian armed forces so far has been grades B-1 and B-2, and as new tenders call for all carcasses to be of grades A-1 and A-2, carcasses of these grades each to cost the Canadian taxpayer between $60 and $70 more, may I ask if it is now government policy to purchase grade A-1 and A-2 beef carcasses for the Canadian armed forces. Is this the new policy?

An hon. Member: Don't give us a bum steer.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I will certainly examine with interest the impact of that policy and check with my colleague the Minister of National Defence what were the Department's requisitions.

* * *

[*English*]

AGRICULTURE

REQUEST GOVERNMENT NOT MAKE CHANGE IN GRADES OF BEEF PURCHASED FOR ARMED FORCES

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, may I direct my supplementary question to the Minister of Agriculture. Acting as a spokesman for the beef producers of Canada, would the minister make representations to the Minister of Supply and Services and ask him to revert to

the previous tendering policy, in order to help not only beef producers but consumers as well?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am given to understand that Canadian meats are always used when they are available, regardless of the department to which they are supplied.

* * *

[*Translation*]

PUBLIC SERVICE

SUGGESTED ESTABLISHMENT OF COMPULSORY ARBITRATION COUNCIL—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the President of the Treasury Board.

He has been repeating for the past week that blue collar workers have the right to strike, and that their strike is a legal one. This is true, but could the minister advise the House whether his government is considering the possible, and perhaps necessary setting up of compulsory arbitration, in order to finally put an end to these abuses which this series of strikes throughout Canada are, including those within the public service.

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the hon. member had the opportunity to state his position on this issue when the relevant legislation was adopted in 1967. Such an opportunity will present itself again shortly, since a Joint Committee is looking into the recommendations of the Finkelman Report. Hon. members will debate this issue, and the hon. member may appear to make his position known to the committee.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary.

I thank the minister for his kind invitation. I shall certainly go to committee to discuss the problem. But, in the meantime, might the minister not be well advised to turn to the good offices of Louis Laberge, Dédé Desjardins and Fernand Daoust of Montreal?

Mr. Chrétien: Mr. Speaker, I have nothing to do with those three union leaders. They are in no way concerned with the civil servants' associations. I am happy to learn that the hon. member for Témiscamingue will be willing to appear before House committees in the future.

* * *

[*English*]

FINANCE

SUGGESTED TABLING OF DOCUMENT SHOWING INCREASE IN EXPENDITURES BETWEEN 1962 AND 1972

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Finance. I regret that I did not give him notice; I hope he will bring in an answer within the next little while. As the level of federal government expenditures is being attacked more and more and as it is assumed by many that federal government spending is the major cause of inflation, will the minister soon bring before this House information showing the increase in federal government spending between 1962 and 1972, corrected for inflation, to show that government expenditures are not the greatest cause of inflation, as has been alleged?

Mr. Speaker: Order, please. I am sure that the hon. member, on reflection, will realize that information ought to be sought in another way.

* * *

● (1550)

ENERGY

PETROLEUM PRODUCTS—POSSIBLE CONSULTATION WITH INDUSTRY ON IMPACT OF PRICE INCREASES ON INFLATION

Mr. Jim Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I should like to ask him whether, before he issued the new price guidelines with respect to fuel, he was in communication with the industry as to the effect the change in diesel and fuel oil prices is likely to have on the inflation picture?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): We received requests from the industry on the basis of actual costs, and as I indicated in response to the hon. member for Nanaimo-Cowichan-The Islands these vary a great deal from company to company and quite substantially as between regions. Instead of authorising an across-the-board increase this time we agreed that each party could increase prices to the extent requested on the assumption that competition would exercise a levelling effect. And of course, there would be different circumstances which would warrant varying prices rather than a single price.

Mr. Gillies: Were any calculations made by the department as to the impact of this change on the rate of inflation? How does this change fit in with the general thesis of the government that the proper way to deal with inflation is through some sort of voluntary program? This action seems to be running counter to the general policy of the government, that of trying to deal with inflation through voluntary guidelines.

Mr. Macdonald (Rosedale): Well, we are dealing here with prices which, except for a minor change in May, have been restrained for the past 18 months. Of course this particular industry does remain an anomaly through the country as a whole; there is price control in this particular industry which does not apply to industry in general. We don't need the same hortative techniques with regard to the petroleum industry because, in effect, the government has been exercising control over petroleum prices at the wholesale level since December, 1973.

Mr. Gillies: Did the minister's department or did the Department of Finance calculate before this change was made, the inflationary impact on the Canadian economy?

Mr. Macdonald (Rosedale): We could not be sure as to the extent to which this would be passed on. It was

recognized that at the current stage, with a very substantial surplus position in both crude oil and petroleum products internationally, it is very likely that the full costs would not find their way through into the retail prices. It is difficult at this point to make a precise calculation. Some small escalation is likely but nothing near as much as would result if we followed the demands of those who want us to go to international crude prices.

PETROLEUM PRODUCTS—POSSIBILITY REMOVAL OF PRICE CEILING ANTICIPATES INCREASE IN WELLHEAD PRICE

Mr. Gordon Ritchie (Dauphin): Has the decision of the government to remove the voluntary guidelines on oil and gas prices at the consumer level been taken in anticipation of a sharp rise in the wellhead price after the April meeting with the provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I would remind the hon. member that we have never exercised control at the consumer level but at the wholesale level. I would also point out that the press release does not indicate a release from control. Rather, each refiner or wholesaler will be confined to the increase on account of his costs he has requested. So there is still a control and the accounts will still be audited.

* * *

NATIONAL DEFENCE

REQUEST FOR ASSURANCE REAR ADMIRAL WILL CONTINUE TO COMMAND WEST COAST FORCES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I have a question for the Minister of National Defence. It appears that Rear Admiral Pickford, Commander Maritime Command Pacific is to be replaced by a junior commodore. This will be widely regarded as a downgrading of the importance, the role and probably the equipment of forces on the West Coast. Can the minister assure the House that these fears are not justified and that a rear admiral or person of equivalent rank will continue to be in charge of our forces on the West Coast?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker, I can give the hon. member that assurance. It is not our intention to downgrade Esquimalt. The Deputy Commander, Maritime Command, will remain on the West Coast at Esquimalt.

* * *

SPORTS

POSSIBLE AGREEMENT OF HOCKEY LEAGUES NOT TO SIGN PLAYERS AS PROFESSIONALS BEFORE AGE 20—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Has the hon. gentleman received any representations from the National Hockey League, the World Hockey Association or the CAHA with respect to supportive action by the government with respect to an agreement between these bodies to restrict the ability to sign professional players before they reach the age of 20 and, if so, is it the government's policy to dissociate itself from this particular request or does the government intend to take the supportive action requested by these groups?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, indeed the representatives of the three groups concerned, some of my high officials and myself have met. I explained the position of the government on this matter in a speech to the Canadian Sports Federation in Vancouver a few weeks ago.

[*English*]

Mr. Hnatyshyn: I am sorry but I do not recall the minister indicating the position he put forward with respect to the request made by these groups.

[*Translation*]

Mr. Lalonde: Mr. Speaker, I have already answered that the position of the government was explained in a speech made to the Canadian Sports Federation which met in Vancouver; I then said clearly that the government looked with favour upon an agreement under which no players under 20 years of age would be signed up.

* * *

[*English*]

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—LENGTH OF TIME TO GET PERMISSION OF PUBLIC SERVICE STAFF RELATIONS BOARD TO PROSECUTE

Hon. Robert L. Stanfield (Leader of the Opposition): I wonder if I could bother the President of the Treasury Board with a question. In any instance recently with regard to public servants, employees in the GLT group occupying a position designated as essential, have the minister or his officials sought permission from the Public Service Staff Relations Board to instigate prosecutions, which I believe has to be done, and has the minister any reason to believe that a decision will be reached in less than the eight to ten months during which these applications for permission have been under consideration in the past.

Hon. Jean Chrétien (President of Treasury Board): As the Leader of the Opposition knows, before Christmas there were about 900 cases of illegal striking and I took action against them. The present strike started on Monday of last week and, of course, we have to gather information before we institute the prosecutions. When we have this information we will proceed. We are in touch now with the different departments gathering information.

Mr. Stanfield: The minister agrees, I assume, that he needs the permission of the Public Service Staff Relations Board before he can launch prosecutions. Has there been any change in the length of time it has taken in the past to get such permission which I understand is eight, nine or as long as ten months usually?

Mr. Chrétien: I have to ask permission and I then will prosecute. I cannot state how long it would take to obtain permission because I have no control over this board. I hope it will render a decision quickly because it serves no useful purpose when a decision is delayed for eight or ten months.

[*Translation*]

STRIKE OF GENERAL LABOUR AND TRADES GROUP—USE OF PAY RESEARCH BUREAU FUNDINGS TO SETTLE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I would like to put a supplementary to the President of the Treasury Board.

Considering that the confidential report prepared by the Pay Research Bureau on salaries, on the request of the Treasury Board, emphasized that employees within the general labour and trades group of the Public Service are paid salaries substantially lower than those paid for similar work in the private sector, and considering that elimination of this anomaly would be a condition—

Mr. Speaker: Order, please. Since the oral question period is almost finished, I would like the hon. member to ask his question, if possible.

Mr. Munro (Esquimalt-Saanich): Is the minister prepared to use this report and its findings to reopen negotiations with the striking union, proceedings which would protect public interest?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I do not know to what report the hon. member alluded, but inaccuracies happen to creep up sometimes. A worker employed by the federal government and assigned to maintenance as a plumber must be compared with a plumber working at maintenance in the private sector. He must not be compared with a construction worker, because of course construction workers are not engaged in maintenance and earn higher wages. Their job is seasonal and they do not have the job security of public service employees.

Right here in Ottawa not one day goes by without construction workers asking to enter the federal public service at the working conditions we offer.

● (1600)

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

Is it true then that the minister denies the existence of a confidential report to that effect?

Mr. Chrétien: Mr. Speaker, I am not aware of such a report. We receive all kinds of reports. It may sometimes happen that certain views are expressed in the way described by the hon. member in the House today, but such is not our impression. We try to offer wages comparable to those in private industry and we are sure that we do offer them.

[Mr. Stanfield.]

[*English*]

STRIKE OF GENERAL LABOUR AND TRADES GROUPS—SUGGESTED ACTION TO ENSURE MAIL DELIVERY

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the President of the Treasury Board. Because of the fact that the very existence of the small businessman is being threatened by the postal walkout, particularly in the Toronto area, an existence which has become vital to our over-all economy, would the President of the Treasury Board, perhaps with his colleague the Postmaster General, consider suggesting to the post office members of the Public Service Alliance that they make it possible for all business documents to be delivered along the same lines as the old age pension cheques, since the small Canadian businessman depends in many cases totally upon regular mail deliveries?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, when the right to strike is given to the public sector it obviously disturbs the economy, and I do not see now how this problem could be solved in the way suggested by the hon. member. We might as well simply propose to withdraw their right to strike, as suggested earlier by the hon. member for Témiscamingue.

[*English*]

Mr. Munro (Hamilton East): Mr. Speaker, I rise on a question of privilege. The hon. member for Hamilton West (Mr. Alexander) on reflection I believe made reference, as did another hon. member, to preliminary hearings being held in Hamilton. Many of the names that have been mentioned have been known to be involved for many months in this preliminary hearing, though they are not permitted to be given any publicity whatever. I have been aware that my name has been mentioned—

Mr. Alexander: So has mine.

Mr. Munro (Hamilton East): —and so has the hon. member's. The fact of the matter is that I did not refer the matter to anyone because, as far as I am concerned, the substance of the allegations are totally false with regard to myself, and I am satisfied with regard to the hon. member himself. For this reason I made no mention of the matter whatsoever to anybody.

Mr. Alexander: Well, Mr. Speaker, I do not quite understand what the Minister of Labour (Mr. Munro) is saying. Perhaps he wants to tell this House or the Canadian public something, but I cannot understand what his question of privilege is. Let me just rephrase my question, Mr. Speaker, if that is required, and I think it is. I think we are all very much aware of the circumstances in Hamilton involving the harbour commission and the reading of matters that have come to light. I still have a copy of my question, and although I do not recall the preamble to it I should like to repeat it. This is why I am concerned that the minister has raised a question of privilege. I asked whether the Prime Minister had had any discussion with his ministers regarding court proceedings involving the Hamilton harbour commission and, if so, what were the results. I also asked him whether he could advise that members of his cabinet or MP's are not involved by way of

subpoenas or otherwise. What is the Minister of Labour attempting to do? I suggest he has no question of privilege.

Mr. Speaker: Order, please. I am equally convinced by both hon. members that no question of privilege exists.

Mr. Munro (Hamilton East): Mr. Speaker, on the question of privilege—

Mr. Speaker: Order. The Minister of Labour sought the floor on a question of privilege in connection with a question put this afternoon. The hon. member who asked the question made a contribution to the question of privilege. Clearly, the question was perfectly legitimate; there was no content in it that I could recognize as a question of privilege. The matter has now been laid to rest. Orders of the day.

Mr. Alexander: Mr. Speaker, on a question of privilege. I think the minister wants to indicate that he is very sorry that he commenced his remarks by referring to—

Some hon. Members: Order.

Mr. Alexander: Don't get so nervous over there. Whenever you people are on the ropes you get nervous. The Minister of Labour unquestionably stood up and made reference to the hon. member for Hamilton West. It now appears from exchanges across the aisle—I say this with respect—that he really did not refer to me but to the questioner who asked a question subsequent to mine. This is my short question of privilege, Mr. Speaker, and I think the Minister of Labour understands me very well.

Mr. Munro (Hamilton East): That is correct, Mr. Speaker. I referred to the comments of the hon. member for Hamilton West, which were followed by comments by the hon. member for Central Nova (Mr. MacKay).

Mr. Speaker: In any case, I recall the content of both questions to which reference has been made. The question from the hon. member for Hamilton West was addressed to the right hon. Prime Minister, and if I am not mistaken the supplementary question of the hon. member for Central Nova was directed to the Solicitor General. In any event, my recollection of both questions and both answers is that there was no ground for a question of privilege on either side.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

The House resumed, from Friday, February 21, consideration in committee of Bill C-49, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. Penner in the chair.

The Deputy Chairman: Order, please. When the committee rose on Friday, February 21, 1975, the following clauses had been allowed to stand previously: clauses 4, 7, 9, 35, 37, 43.1 and 80. It has been agreed that the committee will consider first, today, clause 4 as amended.

• (1610)

On clause 4.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, my proposals today will contain an amendment that covers clauses 4, 7 and all related clauses. I would also hope before completing my remarks to put a question to the Chairman as to whether we can deal with these clauses under one amendment rather than dealing with them separately. I know this will require a little thought on the part of the Chairman, so I will come back to it later in my remarks. In the meantime I will assume that the one debate will cover clauses 4, 7 and related clauses.

First of all, in dealing with Bill C-49 I think the main point is that parliament is now facing the crunch. The minister has been kind and a good parliamentarian in agreeing to allow these clauses which are controversial to stand, that is clauses 4, 7 and those related to them as listed by the Chairman. The clauses all deal with a dangerous innovation of Canadian constitutional practices and the practices of parliament which deserve careful consideration by members of all parties in the interest of this parliament.

Fundamentally, what we are talking about is that we want to give time to the executive of the federal government to discuss proposals with the provincial governments and the various resource companies affected, so that when the first ministers meet on April 9 and 10 of this year there will be enough progress made to give the country the assurance that there will be an amicable understanding and agreement. This is the way the parliamentary system works in this country, and it is the way the federal system has to work if we are to carry out federal operations when two or more levels of government have an interest in the same subject.

The Minister of Finance will recall that on January 30 I gave him in private—I also spoke to him in the House publicly on behalf of this party—a proposal that simply provided a basis on which the provinces and the federal government could sit down with the resource industries and all could make more money out of our resources. This proposal could not be put forward by me in the House because of its detail.

I asked the minister, first, to have his officials study and analyse this proposal from the point of view of the remarks I have just made, namely, that the various parties sharing in these resources could get more money and, second, I asked if he would turn the proposal over to the provincial governments and the private companies which are very much concerned, for their study. This is what I meant a moment ago when I said that the crunch is here. Every time, in the history of the House of Commons, the matter comes up which has a serious impact on the great mass of Canadian people, namely, the best use of our resources not only to provide jobs in Canada but to use the income from those resources in carrying out the functions of government in this country, parliament is supposed to respond in a way that forgets partisanship but remembers only what is good for the country.

The amendment I intend to propose this afternoon is a simple one; it is to not proclaim these controversial clauses until after the meeting of the first ministers on April 9 and 10. That is all I am asking. I am asking members on the government side and members of each party in this House to consider the import of what I am saying on behalf of the official opposition, to consider its importance to the people of Canada and to accept the amendment.

This amendment will not in any way reduce the power of the federal government in the forthcoming negotiations. What it will do is enable the federal government's negotiators to take part in conversations with provincial government negotiators on a basis in which there is room for the federal government to be flexible. If this House of Commons passes this legislation, it becomes the law of the land and federal ministers cannot offer anything less than the law: they would have to come back to this House and ask for amendments to the budget and this is very difficult to do. I repeat what I have tried to emphasize throughout, namely, that we in the official opposition in trying to do our duty have proposed two things to the Minister of Finance; and I will have a third later on. These two proposals can be laid on the table for the provincial governments and given to the companies for consideration, to see if there can be a better deal for all concerned.

At the conclusion of my remarks I will ask the minister a couple of questions dealing with what he has done since January 30 when I first made this proposal. In the meantime, I want to put on the record of this committee the fact that some people in the country have heard about what is being proposed. I have a sheaf of telegrams in my hand, one of which happens to be from the Premier of the province of Saskatchewan, mentioned the other day in the House by the hon. member for Yorkton-Melville. He simply says in this telegram, addressed to the Prime Minister and to ministers of the Crown:

> In view of the forthcoming first ministers' conference, I would request that the federal government give consideration to delaying passage of that portion o` the income tax bill pertaining to non-deductibility of royalties until at er the conference.

He goes on, but that is the main burden of his telegram. The others I have are from private companies and I do not know where they operate in all cases. One is from Wesfrob Mines Limited; another is from Sturgeon Lake Mines; another is from Falconbridge Copper; another is from Falconbridge Nickel. I do not think those are in Saskatchewan. Another telegram is from Giant Yellowknife Mines, which seems to me to be the Northwest Territories; another is from United Keno Hill Mines, which is in the Yukon; another is from Quebec Raglan Mines, and I have one from McIntyre Mines.

I am trying to emphasize to the minister and to the committee that it is not only the oil industry that is caught in this battle between the two levels of government over resource taxation; it is the mining and forestry companies as well. Just to bear out my contention, let me say I did not get a telegram from one of our great giants, Noranda, but I have a statement from their president as reported in the *Globe and Mail* as recently as February 4 in which he concludes by stating:

> In Noranda's case, he said, the effective tax rate this year will vary from about 60 per cent in Ontario and Quebec to more than 100 per cent in western Canada, compared with an average tax rate in 1973 of around 40 per cent.

I quote that to illustrate that a large conglomerate like Noranda, which represents a mix of manufacturing, processing and mining, has had its taxes raised to 60 per cent in the eastern part of Canada and over 100 per cent in the four western provinces. If I put on record the information I have been getting from the smaller companies, it would prove that the statement I made earlier in this debate, that the income tax liability would range between 80 per cent and 120 per cent, was an understatement. The information that I am now getting, as accountants go over the year's figures, is that the tax liability under this budget, on top of provincial taxes, is running to over 120 per cent, and I have one figure of 130 plus per cent. You cannot operate these mining companies with a tax liability to both governments of over 100 per cent.

● (1620)

So, quite frankly, my pitch is, first, to end this quarrel and, second, to remind the committee that the people who are doing the real bleeding and suffering today are the small Canadian companies. Those which are international such as Noranda can survive by moving out of the country, but the smaller ones are taking a beating.

Mr. Baldwin: Only the government can operate on a deficit.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I say to the minister that this is not just a matter of saying, as I mentioned earlier, that they can afford to pay it when the factual evidence before us is that this is not so. The companies do have the right to live, as the Minister of Energy, Mines and Resources keeps reminding us. But when the total tax liability of the potash companies in Saskatchewan and the mining companies, producing a product desperately needed by the world to produce food, is at the 87 per cent level, you know there will be no more expansion in that industry and this forces governments into doing it themselves. Some people would like that, but I shall not go into that question now. I am simply saying that I think I have made a case on the basis of the economics of the mining industry which is suffering mortally today. The small Canadian companies cannot stand this bleeding much longer. The big companies can hang on, but not the small ones.

When the minister allows his government to continue the budget as it is, every member of this House stands condemned, if we put this legislation through, of destroying small Canadian business in mining, oil and gas in the interests of speaking up for the great international giants which can stand off and watch this fight come to its conclusion and then come back in. So this amendment deals with clauses 4, 7 and all the related clauses. I would ask, Mr. Chairman, if you can find it within your power to rule that the amendment I propose will be allowed to amend all these clauses that are related to clauses 4 and 7 and can be debated and voted on as one amendment. To help you out, I will read the amendment I propose to move and let your officials advise Your Honour. I propose to move, seconded by the hon. member for Don Valley:

That part I of the said bill be amended by adding thereto, next after line 31 on page 268, the following:

"127. Subsections 4(2) and (5) and subsections 7(1) and (5) and any other provision of this act to the extent that it is necessary and incidental to or consequential upon those subsections or any of them shall not come into force and have effect as law except upon proclamation of the governor in council following upon the expiration of the 15th day of April, 1975.".

May I have a ruling on that proposal, Mr. Chairman, or do you wish to wait until later?

The Deputy Chairman: The hon. member has raised a number of questions related to procedure. One has to do with debate on the clauses that have been stood. Hon. members are aware of the clauses to which I am referring. Since there is a similarity in the subject matter of all those clauses, there would be, of course, little procedural difficulty in the way of hon. members of the committee debating the subject related to all of them: that should not pose any problem.

In terms of introducing an amendment which would have some effect on each of the clauses, and dealing with the matter by a single division of the committee, it would pose considerable difficulties. I would draw to the attention of the hon. member Standing Order 75(1) which clearly indicates that the committee must deal with clauses in their order. In this case we are dealing with clauses that have been stood, but they must stand in sequence and I think they will have to be dealt with in that particular way, that is, separately as if there were an amendment to each clause which would have to be considered and disposed of by the committee.

The final matter raised by the hon. member concerns the acceptability of the amendment that he has introduced. That raises a number of complexities. If hon. members of the committee will permit it, the Chair will reserve its judgment about the acceptability of the amendment and rule on it as soon as possible. In the meantime, the debate on clause 4 and the subject matter of all the clauses can be proceeded with.

Mr. Woolliams: Mr. Chairman, I have one comment to make. I know you have made a ruling, but as I understand the amendment—and I have spoken to the hon. member for Qu'Appelle-Moose Mountain—it does not change any of the individual clauses that have been stood and deal with the same subject matter, namely, taxation of the resource industry and how it is implemented, but it asks that they not come into effect until there is an order in council implementing them all.

Surely we should reach consensus to facilitate the debate. May I say, with the greatest respect, Mr. Chairman, that you might be interpreting the Standing Order too narrowly. This situation is slightly different and it is anticipated by the rule. The amendment covers all the clauses. They will not be implemented until an order in council is passed. Surely it would be very cumbersome if every time one of the clauses came up on the same subject we had to move the same amendment. This would delay proceedings. It seems to me it was never intended that the Standing Order should be so interpreted. Believe me, Mr. Chairman, I am not being critical of what you have said: you have raised a very thoughtful question.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I do not argue with your ruling and I am prepared to move this amendment to each of these clauses, simply making a slight change in the wording every time, if that will help you. But for the convenience of the committee we could decide on one vote. That would clear away a lot of the difficulties.

May I conclude the rest of my remarks? I ask the Minister of Finance if he is aware that the precedent for what I have been proposing is in the Foreign Investment Review Act, where part II was not proclaimed by reason of amending a section at the end of part II. I think he is aware that one of the most fortunate things parliament did was to agree not to proclaim part II until there had been consultation with the provinces. It turned out that when there was consultation with the provinces, all ten provinces urged the Minister of Industry, Trade and Commerce not to proclaim the section at all. I will quote from an article by Peter Cook in the *Financial Times* of February 17, 1975. Speaking of part II of the act, this is what Peter Cook had to say:

● (1630)

Mr. Gillespie told the Commons as recently as last October he would proclaim part two of the act before the end of last year. He said this was possible because the government screening body, the Foreign Investment Review Agency, was working well and provincial governments were co-operating with the new controls.

In December, a meeting of provincial ministers asked for a postponement of part two. Mr. Gillespie has since agreed to put off implementing it until after next month's talks.

That meeting is in March, and I point out to the minister, if he is not aware of it, that here we have a situation where one minister of the Crown is taking advantage of what parliament, in good sense, did with respect to the Foreign Investment Review Act by putting in an amendment saying that part II would not be proclaimed until the government had consulted with the provinces. This has saved the Minister of Industry, Trade and Commerce being put in the impossible position of having to come back into this House and asking for amendments to a law which parliament has passed. I am suggesting that the Minister of Finance not get himself into the position the Minister of Industry, Trade and Commerce would have been in if parliament had not put in that amendment saying that part II of the Foreign Investment Review Act should not be proclaimed. I think the Minister of Finance would recognize the political danger of this and realize that he would be trapped entirely if these clauses were passed without this amendment postponing their proclamation until after the meeting of the first ministers.

I will now ask the minister the questions I promised to ask. On January 30, and again on February 13, I asked the minister if he would examine my proposals dealing with sharing the economic rental from resources as between the provinces and the federal government. I asked him to have his officials examine this hypothetical cash flow for an oil sands plant which would have given the province 50 per cent of the take, the federal government 20 per cent of the net, and the equity people 30 per cent, all of which the Minister of Energy, Mines and Resources mentioned today because these figures of 50 per cent, 30 per cent and 20 per cent are the figures proposed by the Minister of Energy, Mines and Resources as a fair sharing of the economic

rent. Has the minister, in the last three weeks, contacted the provincial governments, or have they made contact with him on any of these proposals?

Mr. Nystrom: That's you, John.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I will repeat the question, Mr. Chairman. During the last three weeks has the Minister of Finance taken this hypothetical way of dividing the rent as a proposal to the provinces and received their reaction?

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman. We have studied it ourselves and have not been able at this stage to accept it.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Has the minister taken this proposal—there are two proposals, actually—to the companies and received their opinions; that is, any of the companies?

Mr. Turner (Ottawa-Carleton): No, nor have we received their opinions. Although the hon. gentleman says he has had some communication with them, we have not.

Mr. Hamilton (Qu'Appelle-Moose Mountain): This means that the official opposition, acting in good faith on January 30 and again on February 13, made a proposal to the Minister of Finance which he should consider and which was a modern method of dealing with capital-intensive industry to give more money to the owners of the resource, the province, and more money to the federal government by sharing the profits of the companies, or the equity people; at the same time there would be enough money going to the companies to enable them to continue. In this particular proposal which I made to him, the province of Alberta, for example, on an oil sands plant would get double the amount it is getting now under the present Syncrude deal. The federal government, which will get very little or nothing from the Syncrude project, would get $90 million per year, and the equity people would get about 18 per cent or 19 per cent on their equity. That is fair enough. It seems to me that the idea which I put forward was not taken seriously by the Minister of Finance. Apparently he did not pass it on, by his own admission, to the provinces for discussion; and apparently he did not, by his own admission, pass it on to the companies for examination.

Here we have the provinces and the federal government in a confrontation situation, the companies in a state of frustration—spinning their wheels and not going anywhere—and the minister did not even bother to put the proposal before them. I shall try once again to put another proposal before the minister. This time it is not mine. Perhaps that is the reason my first proposal was not passed on. This proposal comes from the London *Economist* of February 15, 1975—last week.

Mr. Nystrom: Herb Gray wrote it.

Mr. Hamilton (Qu'Appelle-Moose Mountain): This proposal deals with the North Sea oilfields and gasfields. It is a proposal put forward, in effect, by the government of the United Kingdom and it is now before the companies operating in the North Sea. Under this proposal, instead of all the money going to paying interest on the capital, the government of that country takes a small royalty of 12½ per cent and then deliberately offers the company an accelerated, immediate write-off of 150 per cent of its earnings, which has the effect of paying off all debts, according to this hypothetical cash flow, in about five years. Coincidentally, these are the same figures I came to in my hypothetical cash flow.

Here we have a hypothetical situation in the North Sea where the investment money pours in to the extent of $2.3 billion, mostly in the first five years. The money begins coming back out slowly at the end of five years and builds up to produce enough income, because the companies are allowed to write off such a large amount, to enable them to pay all their debts during the ninth and tenth years. This table shows that even though the government is getting—as I will point out in a minute—large sums of money, it is allowing business to take 25 per cent on their investment, which is a larger amount than I proposed three weeks ago. I proposed only 18 per cent or 19 per cent. At the same time, the government of the United Kingdom, after the money is paid out and the capital debt is repaid, takes up to 65 per cent of the returns. It is called a petroleum revenue tax.

Without going into all the other causes, I am simply saying that it is roughly a division of about 70 per cent of the value of that oil, if the North Sea operation goes to the people of the United Kingdom, and the companies with 30 per cent are able to make a return on investment of 25 per cent. The reason the government can be so generous with the companies and with the people of the United Kingdom is that the debts are paid first: it is as simple as that. The minister had this proposal in his possession over the weekend. He has seen the projected cash flows. I think he has a duty to this country and to the House of Commons to put that proposal into the hands of the provinces and ask their opinions. Personally, I do not like this type of deal because I do not like the concept of a write-off that is too fast. I like the concept of a contractual arrangement where one agrees that the main enemy of the people—that means the government and business today—is the tremendous amount of capital required and the tremendous amount of interest which must be paid on it. If we could agree to be partners on a contractual basis and get rid of this capital debt quickly, then the amount of interest to be paid would be very little.

● (1640)

Under my proposal, instead of spending between $8 billion and $10 billion in interest payments over the 30-year life of the tar sands fields, we would pay it off in five years and only $2½ million would go into capital and interest payments. Under the present Syncrude proposal, unless the price were to go up to about $12 per barrel or more, it would be impossible for companies and the federal government to get anything out of it. We have wired this country into high-cost oil just as the Americans are doing with their huge expenditures for new sources of energy.

Surely it is hypocritical of the Minister of Finance to say now that he believes in lower prices for the people of Canada when just last week he announced a deal that means we are wired to high prices forever. The people get nothing out of the resources, Mr. Chairman. I would say,

as I said at the time, that is not only a marginal deal but it is a dangerous deal for Canada. I think the minister would do his party and the House of Commons a favour if he remembered that this House has a record of making adjustments to proposals put forward by the opposition. The minister has two choices. He can say, "I am not going to do anything but let time go by, and eventually the bill will go through" or he can say, "I am going to agree with this moderate, constructive proposal of the opposition, which is supported by all parties, and I will consult the provinces and the companies. It is not up to us in parliament to suggest which of these two proposals is the best—the resources belong to the provinces—but if I take this course and do not proclaim this controversial section there will be a better chance of success for the first ministers' conference in April." Above all, this would show that the minister is a parliamentarian.

Mr. Chairman, I have searched my memory of the last ten years and it seems that five or six times the government of the day accepted suggestions made by the opposition, and each of those suggestions was beneficial to the people of Canada. In 1966 the government made the wrong decision about the Great Lakes pipeline. The arguments in this House were accepted and the government reversed its position. As a result, Ontario and Quebec benefited by a lower gas price. In the same year, 1966, on a motion of no confidence from this side, the government said they were not opposed to the motion, and the National Energy Board did its duty: American buyers of our gas were forced to accept a raise in price of 50 of per cent and give Canadians living in British Columbia, the Peace River area, a fair price for their gas. I congratulate the government for making the changes on both those occasions. Canada benefited in both cases: in one case British Columbia got a fair price for gas, and in the other case Ontario and Quebec got cheaper natural gas for ten years.

In 1966-67, on the national transportation bill, now the National Transportation Act, over 70 opposition amendments were accepted. It is a lousy act still, of course, because the government should have accepted two more amendments, but this at least showed some willingness by the government and the legislation was a little better than when it was originally introduced. In 1970-71, when I was not in the House, a group of members on this side fought for two sessions on the national marketing act. They saved this country from having a mess something like CEMA for every agricultural product in the country. Parliament was doing its duty then.

Last fall the Minister of Energy, Mines and Resources, realizing the weight of arguments put forward by the opposition, pulled back the petroleum administration bill for later presentation which meant, in effect, until after the first ministers' meeting. Surely this minister can be a parliamentarian too, Mr. Chairman. We are not asking the federal government to give up any power; we are only asking that they not proclaim this controversial section until they have met the other ten governments.

The other choice for the minister is to sit there and risk the failure of the first ministers' conference on April 8 and 9. If the conference should fail, he will know in his heart who carries the responsibility. If there is some sort of deal made there and he has to back up on his budget, he will be looked upon as a lousy Minister of Finance. Before he is pushed into that position he should admit that the opposition has a good point, and accept the amendment. If the minister does not accept this proposal, which is supported by all parties on this side—and, I am sure, by many Liberal members in their hearts—it will lead me to suspect that there is a deal. That suspicion could be squelched, however, if the minister were to accept the amendment.

Mr. Chairman, I have received very many telegrams, but not one from the large, international mining companies or the large, international oil companies. I have wondered why. I get many wires and phone calls from desperate Canadian companies complaining about two levels of government overtaxing them. If the minister persists in his flippant attitude toward this moderate proposal that the opposition is asking him to accept, I can only conclude that he has made a deal and that there will be a budget in May to bring in what he has agreed with them privately. He has not told the provinces about his deal and he has not told parliament or the people.

Mr. Chairman, I hope the minister has not made a deal with these large companies. I hope he will remember that there has been in this House of Commons a willingness to look at things reasonably and to accept amendments. If he should accept this amendment, he would not be giving away anything but would be able to walk into the conference without blood on his hands. I hope he will put these proposals before his new deputy minister and the provinces and let them decide. Under the circumstances, I think the minister would be well advised to accept the amendment.

Mr. Baldwin: I rise on a point of order, Mr. Chairman. The Chair has ruled on the proposal made by the hon. member. There may be middle ground on the procedural aspect of it which the government may want to consider. The Chair has indicated that there is no problem about debating these clauses together because they are consequential, one follows the other. At the appropriate time we might move a motion relating to clause 4 and it may well be that following the eloquent argument of my hon. friends government members will see the light of reason and intelligence, although that may be too much to expect considering the inflexibility of the government. If by any chance the motion on clause 4 is defeated after full debate, that may be the end of it.

● (1650)

The Deputy Chairman: Order please. Is it understood that the matter stands? Is that the suggestion?

Mr. Baldwin: Mr. Chairman, I propose that the committee should participate in further debate. I imagine that the hon. member for Nanaimo-Cowichan-The Islands and the hon. member for Témiscamingue wants to participate, as I do. We might debate all the clauses which are hinged together. After debate ends, we might take a vote on the proposal of the hon. member for Qu'Appelle-Moose Mountain and resolve the matter of clause 4. If that proposal is defeated, that may be the end of it.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, speaking on the point of order, may I ask if the Chair has

made a final ruling on the amendment proposed by the hon. member for Qu'Appelle-Moose Mountain? The hon. member for Nanaimo-Cowichan-The Islands has in his hand a version of the amendment which applies to clause 4. Of course, we would accept what the hon. member for Qu'Appelle-Moose Mountain wishes to move. We agree at this stage that it would be better to vote on one amendment to the bill which would carry this principle with respect to all the clauses to which it applies. If that is not so, we could move amendments to clause 4, clause 7 and other relevant parts of the bill. Actually, my point in rising is to ask Your Honour to tell us precisely what the Chair's ruling is at this moment.

The Deputy Chairman: I thank the hon. member for Winnipeg North Centre for inviting me to comment at this time. The hon. member for Qu'Appelle-Moose Mountain, who is an able and experienced parliamentarian, must realize that his motion as presented presents certain difficulties to the Chair. The hon. member for Calgary North tried to help the Chair and the committee by referring to Standing Order 75(1). The hon. member suggested that perhaps the Chair has interpreted Standing Order 75(1) too narrowly.

I suggest to him, with the same respect that he accorded the Chair, that the Standing Order itself is narrow and restrictive, but that is not the interpretation. It is narrow and restrictive simply because it says that the committee should deal with the business in hand in a clearcut and precise way. That is how we should deal with this matter if we are to avoid the difficulties which might follow by adopting any other practice. In this case it will be unwise to deviate from this practice and ignore the strictures of Standing Order 75(1).

The amendment is couched in general terms and is not specifically applied to clause 4. As it is phrased in this fashion, the Chair would find it difficult to accept the amendment at this time. Let me add that it is not for the Chair to anticipate which amendments may come forward relating to clause 4 or other clauses.

The terminology of Standing Order 75(1) indicates that consideration of a bill by the committee, clause by clause, is in order; and consideration means both debate and amendment. If we move away from this language, I think we will be in violation of the Standing Order and this will lead to difficulty. For these reasons the Chair finds the amendment in general terms not acceptable.

Mr. Woolliams: Mr. Chairman, as I understood your ruling, you said the amendment is not in order because it is too general in its terms. If the amendment were to zero in on one particular clause, would Your Honour accept it? We could then take one vote. I think the hon. member for Peace River was talking about this. If we are successful in that vote, we can move on to other clauses, but if we fail, that will be the end of it.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, may I propose wording which will bring the proposed amendment into order? I have prepared a new copy of the amendment, a copy of which I have sent to the Minister of Finance and another copy of which I will send

[Mr. Knowles (Winnipeg North Centre).]

to the Chair. I would move, seconded by the hon. member for Don Valley:

> That clause 4 of the bill be amended by adding thereto, next after line 43 on page 6, the following:
>
> (6) Subsections 4(2) and (5) and any other provision—

And as on. I have simply deleted certain words to make this motion in order.

The Deputy Chairman: Order, please. The Chair has looked at the proposed amendment to clause 4. If the hon. member for Qu'Appelle-Moose Mountain looks at it again, he will see that the difficulty has not been entirely avoided as the words "and any other provision of this act" are still there. Does the hon. member wish to comment?

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, for all intents and purposes I am prepared to move this amendment to other clauses. Let me put this on record: if we are not successful with our amendment to clause 4, so far as my party is concerned we will not move any more amendments.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, now the hon. gentleman is talking. If he could cross out the words "necessary and incidental to or consequential upon", and also "subsections 4(2) and (5)", he will be bringing forward an issue which comes under the clause. If the hon. member would be willing to follow the suggestion of the eminent member for Peace River, that would be agreeable to us. As it is, we have some difficulty with the words "necessary and incidental to or consequential upon" because we do not know what they mean and their inclusion leaves the matter open to argument.

The Deputy Chairman: If the changes suggested by the hon. member for Qu'Appelle-Moose Mountain are incorporated, the Chair will be prepared to put the amendment. Certain other words which were mentioned by the Minister of Finance and which may or may not require explanation cannot be the concern of the Chair because they do not involve procedural matters. Therefore, the motion as moved by the hon. member for Qu'Appelle-Moose Mountain is the following:

> That clause 4 of the bill be amended by adding thereto, next after line 43 on page 6, the following:
>
> "(6) Subsections 4(2) and (5) to the extent that it is necessary and incidental to or consequential upon those subsections or any of them shall not come into force and have effect as law except upon proclamation of the governor in council following upon the expiration of the 15th day of April 1975."

An hon. Member: No.

Mr. Turner (Ottawa-Carleton): Perhaps the committee will consider this for a moment or two. Suppose we say "subsections 4(2) and 5 shall not come into force and have effect as law except upon proclamation", etc. Then let us say that the decision of the committee on this clause shall govern how we are to treat the other clauses.

Mr. Baldwin: Mr. Chairman, if the minister wants to move that motion, I will second it.

Mr. Turner (Ottawa-Carleton): I will be glad to have that remark on record, for future use.

Mr. Knowles (Winnipeg North Centre): A seconder is not required in committee.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, ignoring the preamble for a moment, the amendment would be satisfactory to us if it read:

"Subsections (2) and (5) of this section shall not come into force and have effect as law except upon proclamation of the governor in council upon the expiration of the 15th day of April, 1975."

● (1700)

If he can accept that wording, it seems to me it falls within the purview of what we have in mind.

Mr. Hamilton (Qu'Appelle-Moose Mountain): That is exactly what I was trying to say.

The Deputy Chairman: The committee has heard the suggestion that the amendment be revised. Is that agreed?

Some hon. Members: Agreed.

Mr. Turner (Ottawa-Carleton): We accept that for its admissibility. We shall argue it tonight.

Some hon. Members: Five o'clock.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber-St. George's-Ste. Barbe (Mr. Marshall)—Manpower—Opportunities for Youth program—Suggested increase in funds to combat unemployment in Atlantic region; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—Transport—Increasing Canada's share of maritime traffic under United Nations accord—Government position; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Air transport—Defect in Pratt and Whitney jet engine—Compliance of Canadian airlines with modification.

[*English*]

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

It is my understanding there is agreement that the House will proceed to consideration of notice of motion No. 16 in the name of the hon. member for Medicine Hat (Mr. Hargrave). Is this agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

AGRICULTURE

REQUEST FOR MORE STRINGENT LEGISLATION AND GOVERNMENT ACTION TO DETER CATTLE RUSTLING

Mr. Bert Hargrave (Medicine Hat) moved:

That this House, recognizing that cattle rustling is now a big-time criminal racket aided by modern methods and encouraged by high profits and low risk, and has become a serious problem to western cattlemen and the cattle industry, urges the government to enact deterrent cattle rustling laws and to mount an RCMP enforcement offensive against such criminal racketeers.

He said: At the outset, Mr. Speaker, may I say I am pleased that this subject, a favourite of mine since it deals with the cattle industry, is before us for discussion during the private members' hour. Let me begin by briefly recounting the history, the background of cattle rustling in Canada. "Theft" would, of course, be another way of describing it, but cattle rustling is a term which has been glorified, in a way, over the years.

There is nothing new about cattle rustling in western Canada where its incidence is traditionally much higher than in the eastern regions of Canada. As I say, there is much folklore relating to this subject. There are many stories, for example, of cattle herds becoming established as a result of a fast horse and a long and sure loop. There are other stories of unbranded calves being tied by the neck to another calf and trained to follow a new mother cow, resulting in a supposedly very prolific cow herd, with a strong tendency for twins! The owners of such herds were usually considered to be top hands with a rope.

In the early days before fencing, when great cattle herds were the rule, branding was often delayed until mid-summer giving ample time for the unauthorized branding of apparent strays or for the altering of existing brands by means of a quickly heated "running" iron—usually a wagon endgate iron rod with a round eye that could be used to make any combination of brands. Considerable folklore is attached to these stories but there is also concrete evidence that rustling along these lines—and in other ways—did indeed take place. One dramatic piece of western cattle rustling folklore that I have been unable to obtain positive proof of is the stringing-up of the cattle thief on the end of a rope, hung from a convenient limb of a cottonwood tree, out in the middle of the bald prairie where trees just do not grow.

Be that as it may, theft of cattle in various forms still presents a serious problem to the industry and there are clear indications that cattle rustling is on the increase. Rustling in modern days, at least in western Canada, falls into three categories. The first involves the theft of very young calves, usually less than a week old and still unbranded. Most calves are not branded until they are between two and three months of age. These young calves usually spend most of their first few days lying down in a concealed spot not far from their mothers. It is an easy matter to catch such a calf, on foot, without a horse, and toss it into the trunk of a car. A young calf like this must be immediately transplanted to another cow if it is to live. This is a difficult job but not an impossible one for an experienced stockman. The insidious part of this form of

theft is that the thief is usually someone from your own neighbourhood. It is difficult to sell such young calves because most auction markets have regulations for bidding sales of very young calves.

The second category concerns the shooting of cattle, mainly in the fall of the year, usually during the hunting season. When meat prices are high—and they have been high over the last several years—it is a strong temptation for a hunter who has been unsuccessful in a game hunt to shoot a young, grass-fat steer, or heifer, or a cow, dress it out on the spot and put the carcass in a deep freezer at home. Very often such crimes take place near our larger cities and in far too many cases liquor is a factor in the deliberate actions of these unsuccessful game hunters.

The third category of cattle theft is the most daring and deliberate and it is premeditated and planned well in advance. In this type of theft any number of cows, from one or two to complete truckloads, are brazenly stolen for disposal later, usually in another province. In most cases they are trucked many miles, usually to another province—and in one case they were trucked across the United States border; this occurred within the last year—to a distant, live cattle market where they are sold and the covering brand on the stolen cattle is claimed as the legal brand of the thief.

● (1710)

Some provincial brand departments now have computerized brand records, and this is definitely helping to contain this form of rustling. In other cases the stolen cattle are trucked or even trailed on foot to another location where the brands are altered or "worked" into an entirely new brand. A conviction was recently obtained for this kind of theft in southern Alberta, and the thief was caught because he did not allow the altered brand time enough to heal properly with a new hair coat before he tried to sell the cattle. In this particular case a considerable number of cattle were involved; he got a little overconfident.

In still further cases these animals are privately butchered and the meat sold privately, or goes into the deep freeze again. These kinds of thefts can occur anywhere in Canada where cattle are confined for feeding. Just recently there was a case of some six to ten head reported stolen from a farm not far from Ottawa. These cattle were out of a herd of about 300 head, and the thefts took place over a one-month period.

I should now like to comment on the specifics of cattle rustling, convictions, and sentences passed on these cattle thieves. In earlier days punishment on conviction was much more severe than it is today. Today a person convicted of rustling or theft of cattle usually receives a sentence of one day in jail and a fine, or a suspended sentence, or jail from one day to six months. Very seldom does a convicted rustler receive a sentence of over six months unless he had previous convictions of some note.

Cattle theft charges are usually brought under section 294 of the Criminal Code. If the value of the property, in this case cattle, is over $200, the penalty can go as high as ten years' imprisonment. In other words, the traditional sentences passed on modern-day cattle thieves are completely unrealistic, as in most cases all mature animals stolen are worth well over $200.

Under section 400 of the Criminal Code, sentences for killing, maiming, wounding, poisoning or injuring cattle allow up to five years in jail. In comparison, breaking and entering under section 306 calls for a penalty of up to life imprisonment if the premises broken into are a dwelling-house, and up to 14 years if the place is other than a dwelling-house. Most breaking and entering convictions involve far less value than the value of cattle stolen or killed.

I suggest that consideration should also be given to the small cattle producer who raises only a few head, or feeds a few head, for whom cattle theft represents a loss of a large part of his profit considering the size of his operation. I must say that it must be most discouraging to law officers, provincial brand offices and cattle producers when the penalty imposed is very light or the case is dismissed. In some cases, such as in the area of the foothills country west of Calgary, cattlemen have organized viligante groups to patrol their own areas at night, especially during the hunting season. The purpose is, of course, to protect their own property and cattle.

In only one case that I am aware of has there been a more realistic sentence for cattle theft, and this was very recently. It was a case that occurred north of Edmonton and a sentence of two years was given for butchering a cow on an Indian reserve. The accomplice in this particular case was sentenced to nine months. Both were charged under section 294 of the Criminal Code for theft of property over $200.

In Alberta over the last five complete years—that is, from 1970 through to 1974 inclusive—there were 10,859 cattle reported missing, another 1,248 reported stolen; 196 cattle were recovered and 161 convictions were obtained. This figure for convictions applies only to the first four years, not to the year 1974; I presume they were not available for that year. During 1974, the final year within the bracket, in Alberta some 225 cases showed some evidence of cattle offences, as a result of which 45 charges were laid by police. I have been unable to obtain the number of convictions in Alberta in 1974.

Over the same five year period—1970 to 1974 inclusive—in Saskatchewan some 5,457 head were reported missing, of which 1,479 were recovered. These Saskatchewan figures are higher—that is to say, the incidence of theft is on the increase—in spite of increased surveillance by farmers, provincial stock inspectors and the RCMP. In 1974, in Saskatchewan, only three persons were charged with theft of cattle; two of these were convicted and the third case is still outstanding. I have been unable to obtain the number of charges laid in Saskatchewan during 1974; I presume there were a fair number.

In British Columbia, the B.C. Cattlemen's Association have assured me that the incidence of cattle rustling is still probably on the increase and they want to see heavier sentences on conviction. They suggest that if longer jail sentences are not appropriate for the courts—and sometimes we seem to think that is the only reason for not giving longer jail sentences—then the B.C. Cattlemen's Association would like to see much heavier fines handed

out as a meaningful deterrent, and in this respect I certainly agree with them.

I want to read a resolution that was passed at the last annual meeting of the Western Stock Growers Association, which is the Alberta commercial cattlemen's group that met in Edmonton earlier this month. One resolution that is right on this subject reads as follows:

> Whereas it is our understanding that special livestock investigators of K Division, RCMP are unable to advance in rank beyond corporal while remaining on this assignment,
>
> And whereas this encourages good experienced men to accept transfer to other assignments at about the time that their accumulated experience could be most useful to the lifestock industry
>
> Therefore be it resolved that we continue to request the formation of a separate branch within the RCMP for livestock investigators.

They pointed out during the discussion of this resolution that lack of advancement for special stock investigators is a real factor in getting good, qualified RCMP officers to specialize in this type of work.

In drawing my remarks to a close, I wish to suggest very seriously that there is a twofold need in our Canadian cattle industry to reduce cattle theft and other unaccounted for losses that cannot be documented. First of all, I suggest there is a genuine need for much stiffer penalties, either jail sentences or fines, or both, by our courts of law. Secondly, we need stepped up surveillance and inspection by the RCMP with the formation of a separate branch within the RCMP for this purpose.

If it would be in order, Mr. Speaker, I should like to suggest that I would be willing to withdraw my notice of motion to allow this subject matter to be referred to the Standing Committee on Agriculture for further decision and referral for action to the two departments concerned, the Department of Justice and the office of the Solicitor General. I would truly hope there is enough broad interest on all sides of the House that this subject will be allowed to go to the committee this afternoon.

● (1720)

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, after hearing some of the comments from my colleagues here I am a little tempted to go into some of the folklore to which the hon. member for Medicine Hat (Mr. Hargrave) referred a little while ago, but I will not do that. I do want to state that I made a commitment to the cattlemen in my riding following the last two elections, and I represent a number of cattlemen in the constituency of Kamloops-Cariboo. I assured them that there would be at least one little Indian down here who was concerned about the cowboys out there.

Some hon. Members: Hear, hear!

Mr. Marchand (Kamloops-Cariboo): I am not going to take up too much time during this debate, as the hon. member for Medicine Hat has very adequately and eloquently put the position of Canadian cattlemen with regard to cattle rustling. There is a lot of concern about cattle rustling in the provinces where cattle raising is practised. I have received a number of representations from cattlemen in British Columbia, particularly after my introduction of a private member's bill at the session before this and at this session. I have received a number of calls from all over the prairie region in respect of that bill, most of which were in favour of seeing the contents adopted.

My particular bill would stiffen the penalties for cattle rustling. This has been one of the greatest concerns of cattlemen, that the penalties being dished out have not been stiff enough to act as a deterrent to future cattle rustlers. My bill would have done the following:

> Every person who commits theft of cattle is guilty of an indictable offence and is liable
>
> (a) to imprisonment for ten years, where the value of the cattle exceed fifty dollars, or
>
> (b) to imprisonment for two years, where the value of the cattle does not exceed fifty dollars provided that a minimum sentence in either case shall be imprisonment for one year.

I am not going to be dogmatic about this as I know the Minister of Justice (Mr. Lang) and the Solicitor General (Mr. Allmand) are giving this consideration. Private member's bills do not always see the light of day, but I suggest the purpose of bringing these bills forward—and I suspect this is the purpose of the hon. member's motion—is to make sure that the government of Canada realizes that the cattlemen in this country are concerned about this serious problem of cattle rustling. It is still a problem in this country. I have a copy of a press release by the British Columbia Cattlemen which points out that ranchers in that province each year lose between 200 and 400 head to cattle rustlers. This is still a very serious problem and I would concur in the words of the hon. member for Medicine Hat in respect of this problem.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, coming from an area where cattle rustling is a very recent thing, I am pleased to support this motion. I am also pleased that the parliamentary secretary has indicated there is little disagreement with the suggestion that it be referred to the committee. I would like to see that action taken, but I would offer a word of caution in respect of the use of the RCMP in a special way under this legislation, particularly in Ontario and Quebec where we have provincial police forces which enforce the Criminal Code. It would be rather difficult for the RCMP to get involved in an investigation that normally takes place under the jurisdiction of the provincial police force.

Cattle rustling is a very insidious type of theft, the type that does lend itself to vigilante action. I think this is an additional reason for providing strong enough penalties to discourage this type of theft. I know of the case of a farmer who left his farm under the care of his 15 year-old son. The son heard a truck back up to the barn door. He got a gun and went out to see what was happening. When the driver of the truck had finished loading cattle, he advanced toward the son, who shot and killed him. It was finally decided that the son shot in self-defence because the man advanced toward him; therefore, the boy was being attacked. I would suggest that this is not the way to solve the problem. We must come up with a better solution. If this motion should become a legislative act of this parliament, we should include in it some way of forcing insurance companies to live up to their insurance bargains.

I live in an area where we have a federal community pasture. The cattle put into that pasture are insured against loss. The government does not supply continuous supervision of the pasture and each year four or five head of cattle are lost. When the farmer learns of the theft, which is usually when he takes the cattle out of the pasture or when the supervisor informs the farmers collectively that according to his count there are not enough cattle in the pasture, he reports it to the insurance company and makes a claim. However, in no case of which I am aware has the insurance company been willing to accept its responsibility. They decline to pay on two grounds. First, they say that the claim was made too long after the fact for there to be any effective police action and therefore the company has not been notified by the farmer within a reasonable time or in time for the police to carry out an investigation. For that reason they renounce their responsibility and refuse to make payment.

The second ground on which the insurance companies refuse to make payment is that the farmer cannot prove that the animal he put into the community pasture is the animal that was stolen from it, or that he no longer has possession of the animal. In other words, the suggestion is that he may have taken it home, and the company refuses to pay.

As a result, it seems to me that we are faced with a problem in that the farmer is not able to defend his own property, particularly in the way the young lad did to whom I referred. I suggest that we are not prepared to allow farmers to protect their property in that way. In addition, I am not in favour of establishing in Ontario vigilante groups of farmers to protect their cattle either during the hunting season or during the off-season. If we are not willing to allow that, then we must assure the farmers that somebody else will do it.

● (1730)

I think our police forces should have the assurance that, if they do the work that is necessary leading to a conviction, that conviction will be a deterrent to others. It is quite easy, regardless of whether it is in western or eastern Canada, for a person to drive by a field with some cattle in it and to take one animal without any difficulty. In most instances cattle are domesticated and not hard to catch. The rustler can put the cattle in this truck, be on his way, and later slaughter the cattle for his own use or for limited commercial use. The reward is considerable and the risk fairly small.

Protection must be given in a number of ways. We should develop a system of marking cattle that is more effective than the one we use now, namely, the system of ear tags. As soon as the ear tag is removed, the evidence is gone. It is quite true that a farmer, if he has only 200 or 300 head of cattle, can tell whether one is his cow or not. But it is difficult to prove in court. It can be proven by the hide, but in any case it is difficult.

Farmers must be protected by law, from this type of theft, and I agree with the hon. member for Medicine Hat (Mr. Hargrave) that the penalties for this type of theft must be increased. The difficulty that I see with this motion—and of course the committee would be able to deal with the problem—-is with regard to jurisdiction. As I said, in Ontario and Quebec different police methods are used from those in western Canada, and therefore the act as it affects Quebec and Ontario would be limited in scope unless a change where made in the administration of the RCMP. Since I do not think such a change is likely to take place, I think the act will have to be amended to include other police forces in those areas.

The other point is with regard to the valuation of the animals. The hon. member for Kamloops-Cariboo (Mr. Marchand) mentioned a minimum of $50. Perhaps this might be effective now, but it would certainly not have been effective in the case of a dropped calf a day or two old, a year or year and half ago. So if we accept the minimum of $50, the animals that are being stolen would not even be worth carrying away. Cattle should be valued fairly highly. It is hard to tell what the figure should be when you are dealing with a carcass, even if the carcass is available, which in most cases it is not.

My main concern is that one of the ways in which the farmer has tried to protect himself has been through insurance. The second way has been to have his animal graze on a community pasture where there is some supervision. In my area a number of farmers have been disappointed in both respects. They have not been able to collect insurance on the animals they have had in the community pasture, and the insurance companies have held the federal government responsible for negligence in supervision. The companies have argued and debated the point successfully as to whether or not a farmer can prove that the animal he put in such a pasture is no longer there. Although they agree that the total count has been reduced, they are not willing to accept that a particular animal has disappeared, because of the difficulty in proving when it disappeared.

I hope that the notice of motion put forward by the hon. member will receive the approval of the House and will, in time, become legislation because, in view of the high cost of meat today and the inability to supervise pastures or even stables, there has been a great increase in rustling in Ontario as well as in western Canada. If we allow the legislation to remain as it is now, farmers will be inclined and strongly motivated to defend their own property in their own way. If we allow this, those who condemn the use of fire arms, will find an increase in their use because farmers will be forced to defend their own property. Accidental shootings will occur when farmers decide to defent themselves against a fairly organized group of people engaged in rustling.

There are indications in my area that many of the thefts that are taking place are well planned and well thought out. Some organization moves in from another community and a number of thefts take place in one night. There was a case in the Toronto stockyards this year of the provincial police being able to give a description of the truck used by rustlers. The truck was stopped in the stockyard, the owners of the truck were apprehended and the cattle returned to the area. But that was an exceptional case.

Most of the thefts are successful, and for that reason farmers are overly apprehensive about the thefts that take place, about the inability of the police to do anything and the willingness of insurance companies to compensate for the thefts. Farmers are in a mood to take matters in their

own hands, so I strongly urge the committee to consider seriously accepting the motion before us today.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I enter this debate not because I believe I am an expert on farm or animal matters, far from that, but to indicate on behalf of the department I am representing the legal aspect of the matter now before us.

But let me first commend the hon. member for Medicine Hat (Mr. Hargrave) for the truly honest and interesting way in which he explained the problem, a very serious one as may easily be concluded.

Statistical data submitted by the hon. member clearly show the problem has reached alarming proportions, so it seems quite normal for the government to consider the question and look for a possible solution in a relatively near future.

Sections 283 and 294 as well as paragraph 298(3) of the Criminal Code apply. Section 283 gives a definition of a theft.

Under section 294, where the value of what is stolen does not exceed $200 the penalty is imprisonment for up to two years. Where the value of what is stolen exceeds $200, the person who committed the theft is liable to imprisonment for a maximum ten years. Paragraph 298(3) provides that where an accused is charged with theft of cattle, the burden of proving that the cattle came lawfully in the possession of the accused rests with the latter.

In addition to sections applicable to theft of cattle, paragraph 298(3) of the Criminal Code states the act of fraudulently taking cattle that are found astray or fraudulently defacing a brand or mark on cattle is an indictable offence. Such offences entail imprisonment for five years.

Cattle industry representatives, in their briefs, suggest sentences imposed for theft of cattle do not have the adequate preventive effect needed in this type of criminal act. The hon. member also made representations to that effect. The representatives of cattle breeders also expressed the opinion that the Criminal Code should impose a minimum penalty on cattle rustling.

At their meeting in May 1973, the attorneys general tried to see whether the Criminal Code might be amended concerning cattle theft. Unfortunately, we could not come to an agreement. While representatives of a province recommended imposing a minimum penalty, spokesmen for other provinces proposed to amend the Criminal Code so that cattle rustling be made a crime liable to ten years' imprisonment.

For some time, there has been a clear tendency in amendments to the code to avoid minimum penalties. It results from the fact that the people in charge of the administration of justice generally believe that courts should be left the freedom to impose the sentence that they feel is the most appropriate in each case. If the attorney general considers the sentence inappropriate, he may appeal.

Fully aware of the problems created by cattle rustling, the government hopes to move a bill to amend the Criminal Code appropriately during this session.

Although it is up to Parliament to enact criminal legislation, enforcing the consequential regulations and the provisions of the Criminal Code rests with the provincial authorities, as my hon. friend knows.

Thus I must say to the hon. member for Medicine Hat (Mr. Hargrave) that his problem, as he knows, has already been examined by the government, but the representations he made today may urge them to act more rapidly and, as I think we should do, without any referring to a committee. I believe that this study makes it unnecessary to refer the problem to a committee for the time being, as I hopefully think—and of course this is not a commitment—we may admit among ourselves that it is quite likely this matter will soon result in concrete measures.

● (1740)

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to congratulate the hon. member for Medicine Hat (Mr. Hargrave) for bringing forward this most worth-while motion concerning cattle rustling, and to note as well the comments by the hon. member for Kamloops-Cariboo (Mr. Marchand), who has a private member's bill on the order paper of similar portent that is, directed toward stiffer fines for cattle rustling and action by the government to provide some deterrent with respect to this very serious problem.

The hon. member outlined the representations he had received from groups in western Canada, the various stock producer groups, and I think that he had it very well documented, but I believe that this problem exists—perhaps not on as broad a scale because the cattle populations may not be as great—in Ontario as well. Of course the policing there is done by the Ontario provincial police.

It seems to me that this motion should be given serious consideration by the government. I know that in my own area, especially during this past year and a half when cattle prices have risen to very high levels—of course they have fallen off somewhat since the peak period—there were many cases of animals being rustled. I refer not only to the classic example of an animal being driven away, or loaded and carried away, but often animals were slaughtered right on the farm and the Carcasses taken away. Sometimes it seemed to be a more wasteful and senseless situation, where the more valuable rear quarters of the animal would be taken away and the remainder left to rot on the ground.

It seems to me, when we look at all the difficulties of farming today and the disparity in prices, that often the most valuable animal, that is, the fat, finished animal, is the one which will be stolen or rustled and slaughtered. It is not just confined to the beef animal. Often in my own constituency of Algoma dairy animals are stolen and slaughtered. Of course in this instance the animals involved are valuable. The farmer is not only losing the animal but also the milk which would be produced over the years.

I am very happy to join with other hon. members who are looking toward stiffer fines and deterrents with respect to this serious problem for our farm population.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

● (1750)

[*Translation*]

Mr. Deputy Speaker: The hour provided for consideration of private members' business now having expired, would the House agree to our reverting to committee of the House before the Chair calls it six o'clock?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed consideration in committee of Bill C-49, to amend the statute laws relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the Chair.

The Chairman: It being six o'clock, I do now leave the Chair until eight o'clock this evening.

At 5.51 p.m. the committee took recess.

[*English*]

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, in making some comments and asking some questions on clause 4 of Bill C-49 I want to begin by supporting the amendment which has been proposed by the hon. member for Qu'Appelle-Moose Mountain. It seems to me that the suggestion that certain subclauses of clause 4 and certain subclauses of clause 7 should be held in abeyance until the first ministers' meeting has been held would not only be appropriate but, I think, would be only common courtesy. The Premier of Saskatchewan, Premier A. E. Blakeney, wired the Minister of Finance on February 18 suggesting such a procedure, and I imagine that other premiers would also welcome the government's agreement to this request.

I think it should be kept in mind that almost a year ago now the Prime Minister met with the premiers of the provinces in this city in an effort to resolve a very difficult problem. That problem was that the oil-producing provinces, facing a rapid depletion of their oil and gas resources, wanted higher prices to buttress them against the very serious crises that were facing them for the future, whereas the federal government wanted to keep prices below the world price. I would point out, Mr. Chairman, that we in this party in this House of Commons supported the government in every possible endeavour to keep the price down, and exercised what little influence we had with some of the provincial governments to keep the price down.

Out of that discussion between the Prime Minister and the premiers of the provinces, the oil-producing provinces agreed to a price of $6.50 a barrel despite the fact that the international price was much higher. The Prime Minister, who was very glad to succeed in getting such a concession, came out of the conference saying this was a great day for Canadian federalism, and he praised the premiers of the two provinces for taking steps which we all, including the government, welcomed.

The premiers of the provinces went back to their respective capitals convinced that an agreement had been reached with respect to the matter of resources and that an agreement had been reached with respect to the revenues they could anticipate getting from their resources. They were hardly home before the Minister of Finance, who must have been privy to those discussions at the first ministers' conference, brought down a budget which changed the whole picture with respect to the revenues which would go to the different levels of government from resource taxation. It is little wonder that the premiers were indignant and hostile—little wonder that they expressed the opinion that they had been double-crossed and that no information had been given to them that the government intended to bring down the kind of provisions which are in this legislation, particularly in clauses 4 and 7.

It seems to me that it would fair and proper that the government should agree not to proclaim these clauses that are so controversial until after the first ministers' meeting. It would do the premiers the courtesy of allowing them to have their day in court to present their case to the Prime Minister and his colleagues. If they can persuade the Prime Minister and his colleagues that the measures contained in Bill C-49 are detrimental to the best interests of this country and are harmful to the international community, then the government does not need to proclaim these controversial clauses.

On the other hand if the government is not convinced, it has lost nothing; it can then, by order in council, proclaim the offensive clauses and they would come into effect. All the government will have done then will have been to show some courtesy to the premiers, having given them an opportunity to express their opinions.

It is rather significant that when the matter was one of deciding how much or how little revenue the provinces would get, there was a conference. Everybody was appealed to on the grounds of national interest. Provinces were asked to take less money than they could otherwise have secured. But when it comes to how much revenue the federal government is going to take in resource taxes, that is done without consultation, without any opportunity for the provinces to sit around the table to develop and present their respective points of view. I can understand why the provinces feel very resentful about this matter.

● (2010)

As has already been said, a precedent was set last year in the government's handling of the foreign investment

review bill. I think all opposition parties asked the government not to proclaim Part II until the matter had been further investigated and the provinces had been consulted. The government acceded to that request. It has not proclaimed Part II, and whether that decision is wise or unwise is a matter for debate. At least the government recognized that the provinces have an interest in what is done in this House, particularly in matters which affect their jurisdiction.

For as long as I have watched the Liberal Party at close quarters, that party has held itself out as the champion of national unity. It is the party which "can hold Canada together." Yet some actions the party has taken recently have done more to destroy national unity than anything else that has been done for many years. It is difficult to explain that attitude.

I listened to the Minister of Finance say on a radio interview, that we would not agree to postpone the proclamation of any part of this bill because, after all, the government had been given a majority, it had introduced the May budget, and the people had given their approval. I doubt whether the public was aware of the implication of the clauses we are now discussing. I doubt if this was a public issue. I doubt if even the premiers are fully aware of the implications of clauses 4 and 7. The position of the Minister of Finance that the government, because of its majority, can ride roughshod over the rights of this House and of the provincial governments is a shortsighted one.

This country is in trouble. This government is in trouble; it must deal with unemployment, with inflation, with transportation which in the words of one of its own members is in a mess, and with housing difficulties. It needs the co-operation of provincial governments and it is not doing what it should to secure that co-operation.

Why do I say that? In March, 1974, the government obtained concessions from the provinces. Then, some months afterwards, the government did something which could do nothing but antagonize and hurt the provinces, and discourage the kind of co-operation which is necessary if there is to be unity in this country.

Let me deal briefly with some other matters. First, let me ask the minister; what is the rationale behind refusing corporations the right to deduct, from their income tax payments, royalty payments and taxes paid to provinces? This has never been done in the history of Canada. For years it has been recognized that royalties paid to the Crown in right of a province were to be exempt from income tax. Now, without warning, an unprecedented step has been taken. In the second reading debate the Minister of Finance said that the government is doing this because it has the right to a share of resource revenue. I submit that there are other ways in which the federal government can obtain its share of resource revenue.

I also point out, that the Minister of Finance has overlooked something else. Royalties are not taxes in the ordinary sense of the word, in the sense that they are income that can be repeated over a period of years. The royalties to which this legislation applies, that is, royalties on minerals, oil and gas, are paid on rapidly depleting resources. They are payments which are made to the provinces for the loss of an important part of their public domain which cannot be replaced. It is interesting to note, and if I am wrong I hope the minister will correct me, that we do not adopt this position with renewable resources. But with respect to non-renewable resources, resources with respect to which the federal government ought not to deprive provincial governments of revenue, the government has adopted its position as outlined in this bill.

The minister has also lost sight of something else. The royalties which a provincial government receives do not represent a net gain. Not only do they represent payment for a depleting resource; they represent also payment for the infrastructure which the provincial government must supply if resources are to be effectively extracted. You cannot put down a mine or set up an oil industry or gas industry without building roads, establishing towns or villages, or without building houses, schools and hospitals. In short, in order to make such industries effective and productive, the province must provide almost the entire infrastructure. So the money which a province receives from royalties is not clear gain, is not "buckshee" as it were. A good part of these revenues must be spent by the province, either to build infrastructure or to provide funds for future exploration and development.

On examining this legislation one gets the uneasy feeling that there is a sinister motive behind it, and that the non-deductibility of royalty payments is merely a step to discouraging provincial governments from moving into the ownership and the control of the oil and gas industry. After some of the provinces said, "We might as well take those industries over for ourselves", the minister, either on radio or television said, "Well, we can tax Crown corporations". If this legislation represents the first step in preventing provincial governments from moving into the ownership and control of resource development, it is very sinister legislation indeed. All over the world, except in north America—Mexico is an exception because that country nationalized its oil industry long ago—governments are moving to take over control of the oil and gas industry.

Despite anything the federal government may do, the provinces may be forced into this field. Actually, the federal government itself is being forced into it. The great oil companies which used to talk about standing on their own feet, not depending on the government, and opposing government intervention, now say, "We shall put up a plant to extract oil from the tar sands, provided you give us $1 billion. We shall build a pipe line from Sarnia to Montreal provided you guarantee us from any loss." So we are getting government intervention already, except that it is intervention on the terms of the oil companies.

● (2020)

Mr. Guay (St. Boniface): Come on, Tommy, you are just romancing us now.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The chances are that when the first ministers meet in April, the federal government will insist on its share of the pie and the provincial governments will complain that this will mean reduced revenues from their royalties, and the whole affair will finally be settled by an agreement to raise the price of crude oil, thus allowing for all the parties to keep the share they presently have. That may well be the solution adopted—to raise the price of crude oil from

$6.50 to $8.50 a barrel. The federal government would do well, the provincial governments would do well, but the consumers will pay through the nose.

Much as I sympathize with the oil-producing provinces I say to the minister that we shall oppose any increase in the price of crude oil unless the increase is to be set aside in a fund to provide for exploration and development. If this is not to be the situation, if even greater profits are to accrue to the oil companies, then I say the federal government and the provincial governments are simply conniving to settle their differences at the expense of the consumer. The oil companies have made fabulous profits at $6.50 a barrel, and at $8.50 a barrel their profits would be even more obscene.

It is not my intention during the discussion of this clause to make any speeches.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Those were just preliminary remarks?

Mr. Douglas (Nanaimo-Cowichan-The Islands): If hon. members across the way are yelling "encore", I will be glad to oblige. I have five or six speeches in my desk if hon. members want to listen. However, I think it would be more productive if I could ask the minister some questions. I should like him to tell us whether the royalties are to be non-deductible either on a flat rate basis or on an accelerated basis. The claim has been that it has been these accelerated or graduated royalties which have eroded the federal government's share. Are flat royalties to be deductible?

I should also like the minister to tell us whether the oil companies which have leased land from the CPR, from the Hudsons Bay Company or from any private corporation on which they pay royalties are to have the benefit of deductibility in respect of those royalties. I understand they are deductible. But if royalties paid to private corporations are deductible, how does the minister justify insisting that royalties paid to the Crown are not deductible?

I want to ask the minister whether Canadian companies operating in a foreign country and paying royalties to the host government will receive a similar benefit in respect of those royalties. If those royalties are deductible, how does the hon. gentleman explain a situation in which royalties paid to a government in Canada are not deductible?

I should like to ask the minister a question with respect to a letter he wrote on January 24, 1974, to the presidents of Imperial Oil, Gulf Oil and Cities Service Limited, in the last paragraph of which he stated:

> Bill C-49 does not provide for the tax treatment of the Syncrude project as outlined above, but I assure you that the necessary measures will be taken to achieve this result before any relevant federal income taxes become exigible. In all other respects the provisions of the existing income tax law and the other recently proposed amendments thereto will, of course, apply to the Syncrude operations.

I want to ask the minister how he proposes to keep that commitment. Will he bring in amendments to this legislation? Will he, perhaps, use the instrument of the Financial Administration Act which, in my opinion, would be a dubious and devious course to follow?

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

I think he ought to tell us also what he meant by his statement in the House during the question period that, as far as the Syncrude project is concerned—I notice that in his letter he talks always about the Syncrude joint venture—not a corporation.

Mr. Benjamin: Some joint. That is a low joint.

An hon. Member: Get back into your space.

The Deputy Chairman: I have to inform the hon. member that the time allotted to him has expired. Perhaps he might now resume his seat and allow the minister to answer some of those questions.

Mr. Guay: That is question No. 22.

Mr. Douglas (Nanaimo-Cowichan-The Islands): If I could complete this question it would save me getting up again, and the minister could probably answer them all at the same time.

Mr. Turner (Ottawa-Carleton): You have a pretty loose-jointed supporter there in Benjamin.

Mr. Benjamin: I won a lot of ball games.

Mr. Douglas (Nanaimo-Cowichan-The Islands): If I could get the hon. member for St. Boniface to play ball with the hon. member for Regina-Lake Centre, perhaps I could get on with my question.

The minister said during the question period that the tax situation applicable to the Syncrude project would remain as it was in 1973. I should like him to clarify that statement. I should like to know whether the Syncrude partners will get the 100 per cent depletion allowance rather than the 30 per cent allowance—whether the 33 per cent depletion allowance will be automatic, as it is under the old legislation, or whether it will have to be earned as is the case under the new legislation? Most important of all, I want to ask the minister whether the concession which the government has granted to the Syncrude partners will apply to the over all operations of the corporations engaged in that joint venture. In other words, will Imperial Oil, Gulf Oil and Cities Service be able to write off their Syncrude investment against their other operations? The minister shakes his head. I can hear it from here.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I shall have to tighten it up.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I want to tell the minister that if this is not the case he had better tell the President of Gulf and the President of Imperial, because they have both said on the electronic media that they will be able to write off their investment and thus save Imperial Oil $150 million a year and Gulf Oil $75 million a year—that it will save them almost $1.5 billion in four and a half years.

● (2030)

Either the minister has not made himself very clear to these people, or they are mistaken. If they are mistaken,

the minister had better tell them. However, I suspect they are not mistaken and that they do have a firm undertaking that they will get this kind of treatment. If they do, then it will be one of the most shameful sell-outs ever seen in this country. If we hand these people $1 billion over four and a half years this will mean that the Canadian people will be paying for about 80 per cent of the cost of the Syncrude plants.

These are questions that we would like answered. We will not hold up these clauses, but we are going to ask questions. We do not want suave evasions or flippant irrelevancies; what we want are answers, and we are prepared to stay here until we get answers. I hope the minister will clear up the points which have been raised, and we will have other questions to ask as we go along.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Chairman, as I represent a fairly important mining area of our country, I feel I must say a few words on the amendment moved by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) which strikes me as very reasonable at this point. The hon. member is not asking that the act be changed, nor that part of the bill be deleted; he merely suggest postponing the passing of clause 4 of Bill C-49 dealing with mining corporations' taxes with regard to royalties or subsidies paid to them.

Mr. Chairman, I see in that clause a direct attack upon private enterprise. We are advised that, in my area alone, dozens of new mining companies will hesitate to set up operations, because they know Bill C-49 will paralyze their activities. A while ago, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said that some companies would be overtaxed to the extent where they will be unable to operate.

But the hon. member should have told the House that if he were sitting in the minister's seat, he would suggest immediate nationalization of those companies; but such is not the case now. They will not be nationalized, but the robbing advocated by the Minister of Finance (Mr. Turner) with regard to mining and other companies is not much better.

Yesterday, I got a telegram from a mining company operating in my area, the Falconbridge Copper Limited, Lake Dufault Division.

[*English*]

Mr. Benjamin: Welfare bums.

Mr. Caouette (Témiscamingue): We have 450 people living out of that exploitation, whereas if we had your kind of government not one of them would be working.

[*Translation*]

Mr. Chairman, in Lac Dufault, where I live now—

[*English*]

This mine says it is most concerned over the impending proclamation of clause 4 of Bill C-49 and suggests—

[*Translation*]

On this point, I would like the hon. minister to hear.

[*English*]

It suggests that a separate proclamation date be set for clause 4; such date would be determined after further consultations between the federal government and the governments of the provinces. I think it is fair to say that the hon. member for Qu'Appelle-Moose Mountain said he was doubtful whether the minister had some links outside this country with multinationals, so that they cannot do anything for our internal companies or for the Canadian people. I do not think it is the case, having known the minister so well for so many years. He even gave me the chance in the last election to be re-elected. He made some good comments about me when I was in hospital, and that was quite a help. For that matter, the NDP did exactly the same thing.

Mr. Benjamin: We love you.

Mr. Turner (Ottawa-Carleton): Except that they did not have a chance up there.

Mr. Caouette (Témiscamingue): And they knew it.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Not like the Liberals; they did not have a chance and they did not know it.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Chairman, I think that this suggestion by Falconbridge, of Lac Dufault, is worth its weight in gold. We do not ask the government to delete clause 4, but we ask them to hold meetings with the provincial authorities before coming to a final decision because, as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) said, it is true that there is now some disagreement between the provinces and the federal government. It is so true that, in other areas, Quebec Liberal members in Ottawa are being accused by the premier of Quebec of plotting behind his back to defeat him as leader of the Liberal party in Quebec.

Some hon. Members: Shame!

Mr. Caouette (Témiscamingue): Everybody knows that. I saw the premier on television the night before last, I read the newspapers yesterday morning. Is the premier right or not? I do not know, it is none of my business, but the premier goes after the Quebec Liberal members in Ottawa saying that they are the ones who challenge his leadership in the province of Quebec. So the Liberals from Quebec are displeased. Mr. Lougheed of Alberta is displeased. Mr. Schreyer of Manitoba is displeased. Mr. Barrett of British Columbia is displeased. Mr. Davis is not pleased either. That one is never pleased!

Mr. Chairman, if at a new meeting or the next meeting of premiers with the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Turner) that issue were discussed so as to allow for an expansion of our naturel resources it seems to me that would help the whole country. Assistance for Alberta, favourable fallouts for Quebec or the Maritimes, favourable fallouts for western Canada, that is what needs to be examined.

Mr. Chairman, if this bill prevents the creation of new industries and jobs which would promote the development of our resources, could it be that the government is more interested in paying out unemployment insurance benefits, welfare allowances than granting tax exemptions to help private enterprise—I do not say free enterprise, free to exploit and rip off everybody—but an honest private enterprise?

An hon. Member: That makes a difference.

Mr. Caouette (Témiscamingue): That makes a difference.

● (2040)

[*English*]

Government or private enterprise; there is a difference between the two and they don't know it.

Mr. Benjamin: You have to find a lamp to find it.

Mr. Caouette (Témiscamingue): All right, you help me and we will find it.

[*Translation*]

Mr. Chairman, I think instead of contributing social welfare allowances, we should do like the Minister of National Health and Welfare (Mr. Lalonde) and say: From now on, we assure you that you will get a $5,000 guaranteed annual income. If you earn $4,000 a year, you will be paid $1,000, and if you earn $5,025 a year, you will be paid nothing.

Instead of contributing social welfare allowances and unemployment insurance benefits, the government should grant tax exemptions which would enable private companies to create new jobs and expand their industries. If the creation of 15 new mining sites were made possible in my area, there would not be one unemployed worker left; we now have a 14 per cent rate of unemployment instead. The companies that might develop a copper, zinc, silver, nickel or gold mining prospect do not want to move their little finger because they think the government will snatch everything away. That is an important matter which the Department of Finance should look into. The minister with his top advisers, the government in cabinet should study the possibility of actually helping fight not only unemployment, but inflation too.

Mr. Chairman, a good fifteen new mining companies would suddenly spring into existence in my area. But we keep getting the same shilly-shallying, the same procrastination, and the government, as soon as there is some talk about establishing such a new company, comes up with its threats: "We are going to increase your taxes, to tax your royalties, to tax subsidies, we are going to crush you down." That is what provinces are fighting against now.

Those were the few comments I wanted to make. I would like the Minister of Finance to take into consideration the suggestion I got from Mr. Wright, the Manager of Dufault Lake Falconbridge Copper Limited Company. He made that suggestion, but other corporations might have as well. The mining industry is worried. They are waiting for the government and the Minister of Finance to assure them that they will be able to operate their mines with a profit, instead of at a loss.

And profits in the mining industry are not so exorbitant either. The price of copper is down. In the case of gold, nobody knows. Its price on the world or so-called open market is quite high, but it is still in a tight or restrained situation on the official or legal market.

Mr. Chairman, if the minister contemplates the possible creation of new mining industries, let him wait until he has had discussions again with the provinces, especially if the meeting is to take place on April 15 at the latest. This question should be settled once and for all, so that each and every province may be assured that its autonomy will be respected. They need the assurance that the federal government will help them and provide them with the necessary means for their full development. Then the Minister of Finance will have been of great service not only to provincial governments, but to the whole Canadian population as well.

[*English*]

Mr. Ritchie: Mr. Chairman, I rise to support the amendment moved by the hon. member for Qu'Appelle-Moose Mountain as I believe that clauses 4 and 7 should not be proclaimed until after the first ministers' meeting. I think that when the minister spoke to the Canadian Club in Toronto he had this in mind. He was speaking of the economy, and when he came to the oil and gas industry he said that the third problem involved providing incentives for the development of new energy reserves without permitting oil and gas prices to rise more quickly than is appropriate or necessary.

The minister stated, as reported in the *Globe and Mail* of January 28:

> We have long recognized the need to narrow the differential between the domestic and international price of petroleum to encourage both the development of new reserves and the conservation of existing stocks.

The minister also suggested at that time that the timing and extent of increases in domestic oil prices would be a foremost concern at the federal-provincial meetings in April. He said that within a reasonable period the major elements of uncertainty in the resource field, including taxation, pricing and markets, should be resolved.

Keeping this in mind, what is the point in proceeding with these taxation measures at this time, because quite obviously the price of oil, gas and minerals depends on what takes place at the meetings in April? I should like the minister at least to comment on this situation. I know he cannot be specific, but he said that the differential between domestic and world prices should not be too great, or that the difference needs to be narrowed. It would be interesting to find out what the government feels the price difference should be in order to make sure that the oil and gas industry is healthy and can provide Canadians with a reasonably secured supply.

With the realization that the number of rigs drilling for conventional oil in Alberta has been reduced, it seems important that this resource taxation field be straightened out. By passing these two clauses it would seem that the government in effect is saying to the provinces that this is the federal government's stand, it cannot or will not back off, and if there are to be any changes the provinces will have to make them. Certainly the passage of these clauses can be construed as nothing else but a provocative and

antagonistic attitude toward the provinces. This attitude might not be so bad if we did not face the prospect that we are running behind in respect of cheap conventional oil.

Let us consider our balance of payments problems. We had a deficit on current account for 1974 of $2.5 billion, and it is estimated that we will have a deficit of $3 billion this year. Last year there was a surplus in petroleum, oil and natural gas of $1.6 billion. Oil imports are expected to bring to the petroleum trade alone a deficit of $2.3 billion in 1980, and $4.4 billion in 1984. Surely this will have a significant effect on the future of the country, and what the Prime Minister will decide with the provinces when he meets them will be of great importance, because overcoming oil deficits is an important and difficult problem for Canada to face. We would be less than prudent if we did not make sure that the oil industry had a reasonable return and there was reasonable activity to bring on new supplies.

● (2050)

With regard to minerals, again it seems here that these resources are not in as short a supply around the world as are gas and oil, and that the price of these products has decreased.

When it is stated that in 1975 the effective rate of tax in Ontario and Quebec will be around 60 per cent, added to the more than 100 per cent tax rate in western Canada, it becomes certain that investor confidence will be eroded, and the capital intensive mining industry will be even harder hit than it has been by inflation. The president of Noranda suggested that the cost of developing a new mine in February of 1975 is more than double what it was three years ago, and five times what it was ten years ago.

There is a question that I would like to put to the minister. I believe that in clause 7 there is a formula according to which royalties will be computed, based upon provincial gas company rates. I assume that this is specifically designed for the British Columbia Crown corporation. If the minister has not already done so, and to my knowledge he has not, I would like him to explain how this formula will be worked out and on what basis the fair price will be established. Will the price be based on the U.S. price at the border? I think this is a most important question, particularly if there is to be a proliferation of Crown corporations involved in oil and gas energy.

Mr. Gillies: Mr. Chairman, I support the amendment put forward by the hon. member for Qu'Appelle-Moose Mountain that we delay the proclamation of clause 4 until after the meeting of the first ministers in April. I also want to say that I thought he made a brilliant speech today laying out the reasons why this is the position that the government should take.

It is very difficult to understand the comments which the Minister of Finance is reported to have made this evening, or why the government is taking such a rigid attitude with regard to this tax situation. It is really incredible, when all the opposition parties and nine of the provinces are very much opposed to this proposal, as well as practically all the industries involved, that the government insists on moving ahead.

We are not debating this evening a simple tax clause. We are coming to grips with an issue that is affecting everyone in this country. One can find no support for the government's position. It is arguing its case alone, and one finds it difficult to know what its case is, because it is not as if the federal treasury badly needed money at this time. It does not. It has been a long time since it has been in such a liquid position.

Surely the government must understand, and the minister must know what a fragile thing maintaining confederation, operating a government, and operating a country like Canada is and how much it requires co-operation and not confrontation.

Ever since the so-called oil prices development in the Middle East, we have lived through a series of confrontations in this nation—confrontation between the provinces, and confrontation between industry and the provinces, and confrontation between industry and the federal government. Surely this is no way in which to run a country, and surely the minister must realize that the hon. member this afternoon gave a very logical and rational reason why this clause should not be proclaimed until the conference of the first ministers has been held, or why indeed it should never be proclaimed at all.

The government's action has created enormous uncertainty within industry, which has had an adverse effect on the production of our ressources, and will have a great effect on future production. And again one wonders, why the government takes such a position since its policy in the last three years has been to fight inflation by increasing supply. The minister will recall that the opening lines of most of his budget speeches have been that we will fight inflation in this country by increasing supply. If there has ever been a proposal which has done more negatively to affect the supply of important resources in our nation than the proposal before us now, I do not know what it has been. Industry wants certainty. People in industry want to know that they will be able to make a fair rate of return on invested capital in order to be able to progress. It is abundantly clear that while the resources are here in Canada, the fact of the matter is that the capital, the know how, the knowledge to develop those resources and to get the supply that we need in this country, are found throughout the world. If industry cannot earn a rate of return on the development of the resources in this country, of course it will invest that capital elsewhere. It will move to other places where the return, in its view, is more appropriate.

This evening we are trying to find an effective solution for taxation of natural resources. It is a problem that affects everybody in the world. If anybody is paying any attention to what we are doing in this country, it must really amuse them to see, at a time when everyone is trying to find a way to increase the supply of oil and petroleum, that here we are in a country of 20 million people, one hundredth of the whole population of the world, locked in combat between one province and the federal government because we are not capable of working out a mutually agreeable system for developing resources.

Surely the confrontation approach that the minister has taken is no answer to the serious situation in which we find ourselves. I hope the minister will spend some time,

when he answers questions explaining why he has been rejecting out of hand the "Hamilton proposal," if I may call it that. The shortages which we are going to experience in the future will not only be in oil and petroleum but also in capital which must be used more effectively. With the rate of inflation that is being experienced everywhere in the world, the amount of capital that will be available for investment opportunities will be greatly decreased and the amount needed will increase.

● (2100)

One of the most challenging things we have to do is to find a way to use capital much more efficiently. All projections for the development which is going to take place in Canada during the course of the next quarter of a century suggest that we must make more effective use of capital. All the projects we are talking about are capital intensive; for example, the James Bay project, the Mackenzie River Pipeline project, if it goes ahead, and all the development which is going to take place in the tar sands. We will not be able to raise the capital we will need to develop these projects as inflation continues, and the government is going to have to participate in greater degree. The time will come when we must find a way to use capital much more efficiently and intelligently, not only in Canada but all over the world.

It is going to be an impossibility to undertake the sort of resource development we are talking about if it is intended to finance it in precisely the same way it was financed in the past. One can say there is going to be abundant capital available from the Middle East. That may be true. There have been large transfers of resources to the Middle East from the western industrialized countries, but surely we are not prepared to depend on financing from the Middle East in order to get our projects under way.

How can we use capital more efficiently? That seems to be almost as significant a problem for the minister as the entire conflict between the provinces. The real question is whether we can get these developments under way by turning capital around in a much more efficient and effective way. The proposal put forward by the hon. member for Qu'Appelle-Moose Mountain strikes me as providing one answer. What is being proposed is a simple matter of the government foregoing its tax revenue and the equity holders foregoing their rate of return during a period of time in which the proceeds from the investment are used to retire debt.

Briefly the net result of applying this proposal is that the debt is wiped out early in the life of a project. No matter how the arithmetic is applied, the net result for both industry and government is that they are infinitely better off because all the front end costs are disposed of. A large debt structure unfortunately absorbs a unique proportion of the output from any particular project, and it would be much better if this revenue were used as a rate of return for the equity investment, much better used as a source of tax revenues for the government of Canada in the interests of the people of Canada, than to service debt.

It is quite true that there is nothing more difficult to bring into effect than a new idea, particularly in the area of finance. It is interesting that the proposal of my colleague has now picked up independently developed support. I do not suggest it is coming from the same source, but it was referred to this afternoon. The British government is now looking at a proposal not altogether different which is outlined in *The Economist* of, I think, February 14. All round the world people are searching for a way to make more effective use of capital and to achieve a more rapid turnover.

I would like to know what is wrong, when a proposal is put forward of this dimension and significance and which is so important because we are going to be so short of capital, with taking the time to examine the proposal, to put it to the provinces and to industry for consideration. Why not postpone the proclamation of Clause 4 so that the federal government, the provinces and the industry may study the proposal?

I do not know what the government really wants, but unless it really wants to see this nation moving into a situation where the private enterprise system is not able to finance any of the major resource projects we have before us, it must find some new way of financing these particular projects. Is it really the aim of the government to make sure that practically all the major proposals in the future are going to have to be financed partially or entirely by government? If they are, we are going to be moving toward a type of economy which I do not think the people really want. We must explore new methods.

I cannot over emphasize to the minister and his advisers that this issue is not important only to Canada, it is not important only to the resource industry, it is not important only to the provinces, but it is really important all over the western industrialized world. Surely if there is a country where we could make an effort to make a breakthrough on this particular problem, it should be Canada. What is the need? What is the rush? Why is it important that we have an immediate solution?

I find it quite inexcusable to dismiss out of hand, without any real care or study or presentation to a single province, a serious proposition put forward by the opposition in this parliament. It seems incredible that the government should take that attitude. I have to agree with the hon. member for Qu'Appelle-Moose Mountain that it is almost as if agreement has already been made that there will be a new budget which will satisfy some of the people involved in the current confrontation, but agreement certainly has not been made to help the hundreds of small Canadian companies suffering so much under this situation.

The proposal put forward by my colleague this afternoon seems emphatically logical, emphatically forthright and would get around the dilemma with which we are faced at the present time of confrontation that is bound to increase without solving any particular problem. The government may win this confrontation, but it really will win nothing in the long run because it is not dealing with the basic issues. I find it almost inexcusable that the government would not take under consideration the proposal made by my hon. friend this afternoon.

The proposal was made actually on January 30 in this House. It has not been discussed with the provinces or with other groups, and I would urge that the minister reconsider remarks he has made in the past and the remarks he made today that the government will insist on

pushing forward with this clause of the bill in face of the fact that the provinces, the opposition and most industries are opposed to it, in face of the fact that it can bring only difficulties to the fabric of confederation at the present time, in face of the fact that it is running counter to the policy of the government of trying to increase supply, in face of the fact that it will not do anything to solve the fundamental problem we will face, and are facing, of how to use capital most efficiently, and in face of the fact that a serious proposal of an alternative approach to financing has been put forward with the request that it be considered by the provinces and industry. What can the government lose by waiting and by accepting the proposition put forth today? It would seem to make good sense for the government to accept this proposition today.

● (2110)

Why go ahead and bring about confrontation which will not do anything for the country except great harm? When it comes time for the Minister to reply I hope that he will not dismiss the proposal put forward by the hon. member for Qu'Appelle-Moose Mountain out of hand but will give it serious consideration.

There is no advantage in the government doing what it has planned to do, and there is a tremendous advantage to the country by it accepting this amendment, and I hope it will do so.

Some hon. Members: Hear, hear!

Mr. Baldwin: Mr. Chairman, I want to say that I was going to speak in this debate anyway—the fact that the government House leader came and sat beside me should not be construed as encouragement to speak.

I want to support the amendment, Mr. Chairman. I am going to take another view of it, however. The grounds advanced by the hon. member for Qu'Appelle-Moose Mountain have been harrowed and cultivated and there has been a little fertilizer from the government side so I am going to approach the question from a different direction.

Before doing so, however, I want to congratulate the government whips. There are members here on the government side from the province of Quebec, which has the traditional position of defending the constitution, and the fact that the government whips have been able to keep them quiet is a tribute to the way they operate. I am certain, Mr. Chairman, that if a number of members from Quebec had their way they would oppose the way in which the government, through this particular clause, has been trampling on the constitution. I think this is a real tragedy, Mr. Chairman, and my remarks will therefore be along those lines.

What is proposed by this clause and the related clause is looked upon by the Minister of Finance as part of the numbers game that he and his officials play with this question of the percentages of tax, and the refusal to accept the royalties of the provincial governments with regard to petroleum products or minerals as being a deductible item. The question of how to divide up the pelt of the skinned taxpayer has been a continuing battle between federal and provincial bureaucrats for many years. Ever since the Rowell-Sirois commission reported and the government of Canada started to intervene—in many cases with the support of the provinces—this game has been going on. I do not suppose it will ever be concluded.

As I have said before, I think the government has gone a little too far. We may be now looking at the fall and decline of the federal system. Surely a federal system, particularly one which is to be successful and is to survive, must march in tune and in sympathy with regional and provincial aspirations—geographic, economic, racial, religious, and, of course, linguistic. For eight or ten years the present government has pursued a vigorous policy tied to the fact that linguistic differences must be maintained. It is far less accommodating, however, when it comes to other things.

Natural resources are not something over which the federal government has jurisdiction, or the provincial government has jurisdiction. The natural resources belong to the provinces, to the people of the provinces.

If one examines the confederation debate, or the debate which took place in 1930 when resources were returned to the western provinces, one will find that it was made abundantly clear at that time that those resources were to be the property—the royalties were to be the property of the people of the provinces.

In the course of that debate the late Mackenzie King was asked if royalties were going to belong to the people of the provinces, and the answer was yes. We are not dealing merely with the federal government invading a matter with respect to which the provinces have jurisdiction, Madam Chairman—this is property which the people of the provinces own. Now we find the federal government intervening and attempting to take something which does not belong to it. If someone had come to me with that story when I was practising law I would have said that the federal government had engaged in the act of theft—straight theft, and conversion of property belonging to someone else.

Now I must ask if we want the federal system to be continued in Canada because I think that is the problem we face. By a series of fortuitous circumstances, a bit of luck and some skill, over a hundred years ago we put together a document called the British North America Act. We have added to this from time to time, and it has preserved this country in pretty good shape in spite of the fact that we have been cursed with a Liberal government in 35 out of the last 40 years.

I suggest, Madam Chairman, that diversity and distinctiveness remain the basis of social progress—diversity between individuals and diversity between regions and provinces in a federal system. I know this is a doctrine which is an anathema to many of the social scientists who manage to burrow into the bureaucracy—I am going to read this and, because I think the committee should have the full benefit of it, I will repeat it. This business of diversity and individual distinction remains the basis of social progress. This is a doctrine which is an anathema to the social scientists who burrow into the internal processes of government and shortly set to work to produce the usual garbage-like litter of documents which is the centrepiece of all bureaucracy. In this way they manage to restrain the over-inquisitive natives when they get rest-

less, and permit the elite high priests of the government civil service to practise their trade and pursue their inclinations without hindrance.

I wish I could take out of the statutes of Canada the various amendments made to the Income Tax Act in the last three or four years. I see the hon. member for Edmonton Centre here. We all remember the occasion in the House some years ago when, with a superhuman effort, he managed to tear up that huge monument, the Income Tax Act. Even as the hon. member was doing that, the then minister of finance was given his reward. He became Chairman of the Canadian Transport Commission, and he has made as great a shambles of that job as he did of the finance portfolio. This is what may happen to our present minister. I am sure the Prime Minister has something in mind for him. Even if the CTC is demolished, another agency will be established in its place, and a spot will be found in it for the Minister of Finance. I am sure the Prime Minister will be glad to see him there.

● (2120)

Mr. Turner (Ottawa-Carleton): Now let's get back to the script.

Mr. Baldwin: I say to the committee, without fear of successful contradiction, that few understand these voluminous income tax amendments. The distinguished gentleman sitting in proximity to the Minister of Finance, and I do not mean his seat mate, is one of the few in the chamber who understand this bill. I hear that many people who have tried to understand it have been on the psychiatrist's couch, and many are in institutions. I do not think anybody really understands this legislation, which is one of our difficulties.

I submit that passage of this clause will endanger the future of confederation. Even since the Rowell-Sirois Commission reported, federal governments have meddled increasingly with matters of provincial concern. This has been done through the Income Tax Act, and through general welfare and social security programs. It is somewhat strange that at the very time when provinces face tremendous financial burdens as a result of social security programs initiated by the federal government, the federal government is saying to them, "You people in the provinces will have to restrain your costs". The provinces must make expenditures at provincial levels because the federal government, which initiated these programs, has cast the burden on the provinces.

Passage of clause 4 would impose on the people of this country a pattern of rigid conformity which is not conducive to the future development of Canada and its people. I reject the principle of the unitary state. If we had wanted a unitary state, we could have provided for it 100 years ago; and I strongly resent the government's attempt to establish a unitary state by passing measures such as the one we are debating.

Speaking in defence of measures of the kind introduced in this bill and in the petroleum administration bill, the Minister of Finance and the Minister of Energy, Mines and Resources said that when the rights of the provinces, conflict with the rights of the people of Canada as a whole, the rights of the provinces must yield to the rights of the people. Let us examine that statement which sounds good and reads well.

What are the ministers saying? When they speak of the people of Canada, they mean people concentrated in central Canada. Obviously since the people of Quebec and Ontario outnumber the rest, the representatives of those people, through their preponderance of numbers, will be able to introduce programs which will be acceptable in their provinces. True, you can do that; but you cannot do that and still have a valid federal system.

If there is to be a federal system, a system which will give effect to the rights of people living in the four corners of any province, we must heed the constitution. When that constitution says that natural resources belong to the people of a province, it does not lie within the competence of this or any other federal government, by using measures of this kind, to take away from the people of a province their rights of ownership and their right to deal with resources as they see fit.

The people who lead our provinces are reasonable and decent, and when they sit down at a federal-provincial conference they will work out programs and compromises which will be for the benefit of the people of Canada as a whole. This has always been the case, but it takes time. One can liken this process to some industrial disputes. The parties sit down at the bargaining table, then get up, but come back again. I have enough confidence in the people who lead the governments of this country, the governments of the provinces, to believe that compromises can be worked out.

But I say to this committee that this consensus cannot be achieved by the federal government's securing passage of legislation of this kind and then going to the bargaining table and saying, "We have this legislation on the statute books; you do what we tell you, or else!" That is not the way to secure understanding and compromise on which the resolution of these difficulties must be based. I suggest that there are people in the west, in the east, and in central Canada who say that if this is how the federal government operates, it is time we re-negotiated the conditions of confederation.

Some hon. Members: Hear, hear!

Mr. Baldwin: I will not spell out how this could be done; it could be by means of weighted votes, changes in the other place—to which the hon. member for Winnipeg North Centre might agree—or changes in this chamber, whereby the party system which has been inflicted on our parliamentary structure since confederation might be altered to provide for a greater measure of independence. This could be done in many ways. But I say to the members of this committee that demand for change will continue until it becomes a clamour which cannot be ignored.

Given these conditions, would the government not be sensible in saying, "We are prepared to defer proclamation of these objectionable and controversial clauses until we have sat down at the bargaining table and worked these matters out with the provinces, in the spirit of reasonable compromise which must be achieved if we are to survive and prosper as a country and if these difficulties are to be resolved"?

Confrontation is not good enough. I believe strongly in the adversary system, as a lawyer and member of this House. Under the adversary system we can examine an issue from all angles; the opposition can challenge the government and examine its programs from all angles. But when the adversary system is changed into a system of confrontation politics for political purposes, so that the dominant level of government can say to provincial governments, "We have the power; you do this or that, or else", I say that we have gone a long way down the road in deteriorating Confederation. If they, representing the majority of the people of Canada, decide that a certain thing should be done in the interest—in their opinion—of the nation, then apparently it does not matter a damn whether that action comes within federal jurisdiction or not; the government will take action regardless of the feelings of the provinces.

● (2130)

I have watched the minister as these speeches have been made. I feel the government is set in its position and I think it is tragic that its attitude cannot be changed. I can only urge the Prime Minister, the Minister of Energy, Mines and Resources and the others who will be at that bargaining table in April to bear in mind what I have said. The hour is growing late. There is not much time in which to work out this problem.

Mr. Symes: Madam Chairman, I want to comment on the amendment and reiterate our support for it, and then move on to a series of questions which I hope the Minister of Finance will answer.

We are dealing with the resource sections of Bill C-49, especially the clauses which prevent royalties being deducted from revenue earned by corporations. This has the effect of inhibiting provinces in raising tax revenue as should be their natural right. It forces the provinces to back down on the attempt to gain through the imposition of royalties a fair return for their resources, many of which are non-renewable. I would like to mention for, the minister's edification, a fundamental concept which was stated clearly in the report of the Royal Commission on the Transfer of Natural Resources of Manitoba in 1929. This royal commission stated, and I quote:

> At confederation it was decided to make natural resources the cornerstone of provincial sources of revenue. The provinces transferred to the federal government most of their other sources of revenue including, notably, the collection of customs duties, but they retained for themselves the use and control of Crown lands, mines, minerals and royalties as sources of income.

It seems to me that the government, through the budgets of May 6 and November 18, is making a determined attack on that fundamental right of the provinces. I think the amendment which was proposed to delay proclamation of these sections of the income tax bill relating to resources until the first ministers of the provinces and the federal government have been able to sit down and talk is quite justified. It is better we should talk about this vital issue rather than the Minister of Finance should in a high-handed way impose a tax scheme which is contrary to the very fundamental precepts of confederation.

Some hon. Members: Hear, hear!

Mr. Symes: The whole issue of resource taxation is a fundamental one. We have been dealing into the non-deductibility of provincial royalties, but there is one glaring omission from this income tax bill, a glaring omission on the minister's part to state clearly and precisely what the government's intentions are in terms of taxation policy toward the Syncrude project recently approved in principle by the government.

The minister has been telling us that the Syncrude deal and the oil company partners in Syncrude will be exempt from the provisions of this tax bill relating to resource taxation. But he is fudging the issue. He is not telling us precisely what is to be the tax regime governing the Syncrude project.

I have five very important questions which I should like to put to the minister; we in this party want clear and distinct answers before we dispose of this bill. We are prepared to sit here and debate it until we get clear answers from the minister.

The minister has been stating publicly that the Syncrude project will be exempt from the royalties non-deductibility provisions of the November federal budget. He is exempting this multi-million dollar Syncrude project yet he will not exempt other resource concerns in this country. If should be clear that Syncrude will be exempt from the royalties non-deductibility provisions which, of course, means it will enjoy an important tax concession as compared to other resource industries.

As my second question, I want to know if it is correct that Syncrude will also retain automatic depletion allowance of up to one-third of production profits instead of having to earn the depletion allowance and instead of being limited to a maximum of 25 per cent of production profits. That is a very important distinction, and we need a clear answer.

As my third question, will Syncrude be able to continue to claim 100 per cent write-off of development costs instead of being limited, as in this budget, to 30 per cent only for development write-offs? The Minister of Finance is saying that Syncrude will work under the 1973 tax regime; as I read it this means Syncrude will enjoy a 100 per cent write-off on development costs.

As my fourth question, under the provisions of the 1973 tax regime, as stated by the President of Imperial Oil and the President of Gulf Oil, is it correct that if Syncrude has insufficient profits to absorb all available tax write-offs, these write-offs can be passed back proportionately to the partners to be written off against their income from other sources of operation? As I read the bill, and as I understand the officials from the oil companies, they will be able to do this. This means a tremendous tax loophole exists for these companies. If Imperial Oil, for example, invests in Syncrude a sum of $300 million it can write off against its other operations taxable profits in an amount of $400 million odd dollars. It follows that the government will tax that much less of the profits of the oil companies from their other operations. They will be able to use Syncrude as a great tax deductible haven.

A further question I wish to ask: is it correct that the Syncrude consortium, because it is exempt from certain provisions of the November budget, will be assessed at a

lower federal tax rate of 48 per cent for 1974? Will the rate be 47 per cent in 1975 and 46 per cent in 1976, compared with the 50 per cent corporate tax rate which will be in effect for the other resource industries in this country?

● (2140)

Before the recent deal was made in Winnipeg that fateful Monday, the president of Imperial Oil was saying that if the government did not come through with equity financing he would be happy to revert to the tax scheme of 1973 for the oil company partners in Syncrude. Mr. Armstrong, according to the *Globe and Mail* for January 23, calculated that if the oil company partners in Syncrude could work under the 1973 tax regime, they would have a saving of upwards of $1 billion over a four and a half year period. If that is correct—and I have no reason to doubt the president of this oil company—it means that the Canadian people will end up financing 90 per cent of the Syncrude project.

We have been told by the government that the Canadian public, through the provincial and federal governments, is putting up 30 per cent of the costs, or $600 million. The government of Alberta has given the Syncrude partners a $200 million loan. That totals $800 million. If the tax regime of 1973 were applied to Syncrude then, in the words of the president of Imperial Oil, the Syncrude partners would get another $1 billion in tax concessions. In other words, the public would be putting up $1.8 billion, or 90 per cent of the cost of Syncrude, and would get in return only 30 per cent ownership. The companies would have 70 per cent ownership; the public, putting up 90 per cent of the financing, retains only 30 per cent ownership.

No wonder we call this the greatest sell-out in the history of Canada's resources. This is something that the minister has a duty to clarify for the benefit of the public of this country. He must let people know exactly what they have got themselves into. The public of this country has been duped; we have been sold out by this government and by the multinational corporations.

The other point the Minister of Finance and Minister of Energy do not like talking about too much is the rip-off in the Syncrude project in the form of a more than doubling of the price of oil coming out of the oil sands. This was another part of the agreement—that oil which is now being produced at $6.50 a barrel will be sold at the world price, which could range anywhere from $11 to $15 a barrel; that has been guaranteed the Syncrude partners. Yet they are going to be taxed at an even lower rate, according to the Minister of Finance, than any other resource company in this land.

Canadian consumers will not only pay outrageous prices for the privilege of using their own oil; they are, as I say, going to be financing this project through direct public funding and tax concessions which the government has given the Syncrude partners, for all of which they retain only 30 per cent of the ownership and decision making in this vital project. The Minister of Finance must come clean and tell the truth about this aspect of the Syncrude deal which he has so far failed to clarify in any speech made to date. We await with interest his defence, if he has one, of this outrageous sell-out.

[Mr. Symes.]

Mr. Andre: Mr. Chairman, I do not want to preclude the minister from standing up and explaining this outrageous sell-out, or whatever was the term used at the end of the remarks of the hon. member for Sault Ste. Marie. Certainly I will defer to him in tonight's debate if he so chooses.

I feel somewhat intimidated in rising to my feet after the quality of the debate today. This afternoon the hon. member for Qu'Appelle-Moose Mountain stated in very eloquent terms that there was a better way of accomplishing the goals that the minister, the government, and I think every member of the committee would like to achieve. Then the hon. member for Don Valley indicated there was really no need for the minister to proceed in the manner he chooses to proceed now. The hon. member for Peace River also pointed out that continuing to proceed in this way could be dangerous to the goals he indicated he would like to see Canada achieve, and which I think are shared by all members of the House.

Yet in face of all this reason, logic, rationale and superb debate, the minister sits Sphinx-like and unimpressed, indicating he still does not concur in the amendment to the clause proposed by my colleague for Qu'Appelle-Moose Mountain. That is regrettable. I am sure the hon. member for Peace River is entirely accurate when he says that continuing this stubbornness in face of reasoned and rational argument and positive alternatives that are clearly superior, is dangerous to the economic future of this country, as well as to confederation because of the tensions that are created.

Indeed, Madam Chairman, I am a little confused about the real purpose of this particular proposed section of the Income Tax Act providing for non-deductibility of royalties. I listened attentively, as I always do, to the Parliamentary Secretary to the Minister of Finance during the budget debate when he outlined the reasons for this provision. These were along the lines that the greedy provinces had taken too much money, that there would not be enough money left for the oil companies to continue their exploration and development, hence this proposal. This convoluted reasoning I find a little difficult to understand since I fail to see how the oil companies, or anybody, will be able to maintain a viable operation in the face of taxation rates that exceed 100 per cent.

Perhaps the reason was more accurately stated this afternoon by the Minister of Energy, Mines and Resources who stated that the goal of this government was first, to achieve more revenue for the federal treasury, second, to allow some revenue to go to the provinces and third, if there was any left, to provide some revenue for the industry so it may maintain exploration and development programs to discover the oil and gas we need.

I suppose that is the nub of the problem and is an indication that security of oil supply in this country is the third priority of the Minister of Energy, Mines and Resources, who should be concerned about Canada's long-term security of supply. Evidently he thinks it far more important to have revenue for the Turner-Trudeau empire, or should I say the Trudeau-Turner empire, so it might continue to grow at the rate of 28 per cent a year.

The whole story of how this particular aspect of this bill—the provision relating to non-deductibility of royalties—was introduced into the fiscal scheme in this country

is in itself a sad one. The method used in the budget of May 6 has been described accurately by my leader as a deceitful, dishonest approach.

● (2150)

At the January, 1974, meeting of the first ministers a uniform price for crude oil across Canada was agreed upon and there was no indication given at that time that the government contemplated the introduction of a measure such as this, but out of the blue on May 6 we found this proposal in the budget. Faced with the description of this by my leader, as a matter of deceit and dishonesty, the Prime Minister indignantly replied in a speech in the House of Commons, to be found in *Hansard* at page 1726:

> Let me remind the House, for the record, of the earlier approach that we adopted at the end of January this year at an open conference televised for everyone to see, an approach which precisely was one of trying to get an agreement on the sharing of production profits. We have proposed a sharing.

The Minister of Energy, Mines and Resources brought into that conference a document entitled "A Presentation to Provincial Premiers of Suggested Distribution at Alternate Prices of Revenues on Crude Oil Production". There are a number of suggestions here based on various wellhead prices for crude oil. There is a suggested wellhead price of $6 and the suggested distribution, and a wellhead price of $7 with another suggested distribution. If we average the $6 and the $7 we arrive at $6.50, which is the currently existing price. The Minister of Energy, Mines and Resources, I am sure with the concurrence of the Minister of Finance, or certainly of Jack Austin, indicated a sharing and suggested that the oil producing provinces should receive 31 per cent of total revenue, including export taxes. The minister suggested that the federal government should receive, excluding the amount it uses to subsidize eastern consumers, 7.8 per cent of total revenue.

What does this budget do in the face of that suggested sharing? Prior to the budget the province of Alberta introduced a new royalty scheme which gave the province 23 per cent of the total revenue, in other words something like 8 per cent less than the federal government suggested. The province of Alberta under this scheme was to take 8 per cent less of the total petroleum dollar than the federal government suggested it should take at that January conference.

This budget, according to the Minister of Finance, would provide the federal treasury with 18 per cent of the petroleum dollar as opposed to the 8 per cent which was suggested at that time as being a reasonable figure. Faced with these facts, how could anybody describe the actions of this minister and this government in introducing these provisions as being anything but deceitful and dishonest? Certainly this is deceitful and dishonest, and totally out of keeping with the suggested distribution at that conference.

The Prime Minister had the gall to suggest that this document gave the provinces fair warning. That is an incredible suggestion. What is even more incredible is that the Prime Minister, the Minister of Finance and the Minister of Energy, Mines and Resources should raise their eyebrows and suggest that the provinces are just being greedy and selfish. They suggest they are just protecting the interests of the people of Canada against these greedy and selfish provinces which have not acted in good faith and will not discuss the matter with them. They say they would like to discuss this with the provinces, but the provinces cannot be counted on to sit down at a conference table and negotiate in good faith, but will go back and rob the kitty before they have a chance to get to it. The facts simply discount that suggestion. The facts will not substantiate that claim.

I should like to know whether the government has ever repudiated the sharing as suggested in this document that was tabled at the first ministers' conference. I suggest that one item on the agenda of the first ministers' conference on April 9 and 10 might be the re-discussion of this question of revenue sharing. If that is to be the case, the government will not want to be burdened with the restrictions in Clauses 4 and 7. It would serve the interests of the government, the country and everybody else, to have these restrictions set aside until after that conference.

As my colleague, the hon. member for Peace River, has pointed out, we have reached the point where Confederation itself is being threatened by this type of activity, with commitments made and borken, and unilateral moves by the federal government into areas which clearly lie within provincial jurisdiction, without so much as a by your leave or anything that could be considered as fair and just warning, and without even so much as a rational reason. As the hon. member for Don Valley has pointed out, it is not as though the federal government is strapped for cash. The Income Tax Act currently in existence is bringing in revenue almost as fast as the government can spend it, although nothing could bring in revenue that fast.

There a few other points I should like to make, but we have reached the hour of adjournment. May I call it ten o'clock?

The Assistant Deputy Chairman: It being ten o'clock, it is my duty to rise, report progress, and request leave to consider the bill again at the next sitting of the House.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

MANPOWER—OPPORTUNITIES FOR YOUTH PROGRAM—SUGGESTED INCREASE IN FUNDS TO COMBAT UNEMPLOYMENT IN ATLANTIC REGION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Madam Speaker, I was just about to say that my question on the late show tonight is important enough to have both the Minister of Manpower and Immigration (Mr. Andras) and his parliamentary secretary here, but I notice that the minister scurried out as quickly as he could. I am glad the parliamentary secretary is still here.

Mr. Turner (Ottawa-Carleton): We are listening to you, Jack.

Mr. Marshall: I am glad to see that the Minister of Finance (Mr. Turner) is here.

● (2200)

Perhaps the parliamentary secretary might be able to give me a more positive answer than the one I received from the minister last week in the House when I requested the consideration of an extension of the funds allocated to the student summer employment program, and particularly the Opportunites for Youth Program. My reason for concern is that the steadily increasing unemployment rate in Canada, which will tend to worsen this summer if projected trends are correct, will cause intense hardship and discouragement to those who are affected most at that time. I refer to the age group between 14 and 24. None of us are proud of the fact that the national unemployment rate in this category is 11.8 per cent, seasonally adjusted, with the actual rate being 14.4 per cent.

Neither are we very proud of the over-all unemployment rate in the Atlantic region which, in January of this year, was 10.6 per cent, nor am I particularly proud of the over-all rate of unemployment in my province of Newfoundland, which in January was 16.1 per cent.

What concerns me in particular, Madam Speaker, is the fact that the number of persons between the ages of 14 and 24 in Newfoundland is well over 100,000, most of them in secondary schools or at university. Also, many of them must find jobs this summer to enable them to return to their studies.

As of January 1975, some 31,000 of our citizens are unemployed. This summer this number will multiply due to the many more thousands from the group I mentioned who will be seeking employment.

Certainly the same or similar figures hold true on a comparative basis right across the Atlantic region, and all across Canada in the slow growth areas.

The present OFY, funded at some $27.5 million, is expected to employ some 20,000 students. It is obvious that that amount of money and the projected number of jobs will not even scratch the surface of the problem. Even if we add the other programs, such as job exploration for school drop-outs, providing 550 jobs at $300,000; student community services providing 2,100 jobs at $5.7 million; youth hostels providing 550 jobs at $1.3 million; cadet training for 2,350 young people, and the portion of the 3,200 in the age category between 17 and 24 who will train with the militia; the 392 students who will be employed under community assistance; the 9,300 students who will be employed in the public service; and the many other programs such as drug research, street agencies, parks Canada, native summer employment, tourist surveys, improvement agriculture, many thousands of young people in this age category will be unemployed.

So we have programs which have proven successful in the main, and we have those that were wasteful and useless. What is needed is better control by experienced officials who will not only monitor the projects but create more employment. Even though it is hoped that the Canadian business community will employ thousands of students this summer, I plead with the minister, through his parliamentary secretary, to try to impress upon his cabinet colleagues the necessity of increasing the funds for the students summer employment program, even though I was pleased to hear that the matter was under review.

This will allow more of our young people to follow the criteria laid down which will be of benefit to participants. The program will involve our youth, will allow them to use their initiative, not only to benefit the community but to relieve the pressures on them to finance their education, and provide them with the opportunities which they deserve. Most important, it will provide the many more jobs that are required for the youth of our country.

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Madam Speaker, I am pleased to be able to reply to the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). He and I share the northern peninsula of Newfoundland; we share the many communities which find themselves in a similar situation, and we share a concern for the young people in that area. We both know that the people in rural Canada will probably have less opportunity to take advantage of many of the programs offered than will young people in urban Canada.

While I share that concern, I think it is important to put on record what is being done. The hon. member of course has indicated many of the programs that will be in existence this summer in addition to the OFY program. He has mentioned that the total budget of the Students Summer Employment and Activities Program is $67 million, to be divided among 12 different federal departments, including the Department of Manpower and Immigration, the Department of the Secretary of State, and the Department of National Defence.

The Public Service Commission will receive the majority of the above amount, with the OFY program being the single largest recipient program. The total for the OFY program is $27.5 million. That is open to question, of course, but a line has to be drawn on the amount somewhere. If more money is put into those, perhaps more money has to be taken from somewhere else. The Minister of Finance (Mr. Turner) says it is a little early to see the bite of the budget. We will have to see what effect the budgetary measures taken earlier will have on the situation.

The hon. member has mentioned the cadet reserve training programs of the Department of National Defence, the student community services of the Department of the Secretary of State and the student employment offered by the Public Service Commission. These are going to offer summer employment to 37,000 young people. Of that 37,000 jobs, 20,000 will be created by Opportunities for Youth. There is a program, a comprehensive program, a widespread program with many different options for unemployed people in Canada, and in fact, unemployed people in the Atlantic area.

I would like to put on the record that under the 1974 OFY program 12.3 per cent of the budget was allocated to the Atlantic provinces. This year the amount is 20.7 per cent, a substantial increase to the Atlantic area. I may say

that the same kind of increase was evident in the Local Initiatives Program, and if I know the hon. member for Humber-St. George's-St. Barbe—and I believe that I do—I am quite sure that he is going to get at least his fair share of that program.

The $27.5 million allocation to the Opportunities for Youth Program this year was set after applying statistics of past demand and—

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

TRANSPORT—INCREASING CANADA'S SHARE OF MARITIME TRAFFIC UNDER UNITED NATIONS ACCORD—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my rising tonight is made possible by Mr. Henry Brown and flows from a series of questions I placed upon the order paper directed to the Minister of Transport (Mr. Marchand) on October 31, 1974, and again on November 4. These questions referred to the proposed code of ethics for the liner conference agreed upon by 72 of the member nations at Geneva in April, 1974. The principle purpose of this agreement, for the edification of the hon. gentlemen here, is to seek to express to the international shipping concerns the growing lack of ease felt in the world exporting and importing communities as to the level of service rendered and the extent to which this service reflects the national interests of those nations concerned.

It would seek to guarantee for the exporting or importing country an amount such as 40 per cent of the trade each way, with some 20 per cent left open for third parties. This proposal has a long way to go before it is ratified by sufficient member states to have the force of law on the seas, but is a step and a warning to the world that all is not well in the exporting and importing countries which have up until now relied so heavily upon international and foreign shipping concerns.

Canada, probably predictably, took no position. We have no fleet. We have, according to Howard Darling, not even an identifiable ministry responsible for maritime shipping policy.

Some hon. Members: Shame!

Mr. Forrestall: We depend for 99 per cent or more of our export and import trade on foreign shipping. Put another way, Canada relies almost exclusively on the whims of the foreign shipping cartels, and these cartels, according to Howard Darling, are increasingly becoming owned or directed by the foreign governments through whose subsidies alone much of the world's fleets survive.

● (2210)

Canada's foreign trade is simply too vital to be left up to the interests of foreign powers. It is, in a word, under attack from increasing bilateralism, increasing foreign national ownership and financial participation, increasing specialization and increasing nationalism.

Our defences are weak, almost pathetically so. There is no responsible ministry, no responsible minister. Is it External Affairs? Is it Industry, Trade and Commerce? Is it the Department of Transport? No one seems to know, and I suggest no one in government seems to care.

One per cent of our trade is carried today in Canadian bottoms. The UNCTAD proposal would give Canada an immediate option to insist on upwards of 40 per cent. What does this mean? Again no one knows.

Standing on the order paper in my name are the following questions:

No. 1130: Has the government established any interdepartmental groups to examine the impact upon Canadian shipbuilding, ship repair and merchant seamen and officers of the possible ratification by Canada . . .

I am referring here to this agreement.

No. 1131: How many ships would be required to accomodate the movements (a) out of Canadian ports to foreign destinations; (b) into Canadian ports from foreign destinations of 40 per cent of the present liner conference rated cargo?

No. 1132: How many merchant seamen would be required to accomodate the staffing of the number of ships required . . .

This would be related to the answer to question No. 1131.

No. 1133: How many (a) general cargo (including passenger cargo); (b) container type vessels were employed in the liner conference rated international inbound or outbound seaborne shipping to serve Canadian ports within the most recent 12 month period?

All of these questions have been on the order paper of the House of Commons for almost three months with not a trace of an answer to one of them. This is a disgrace, born of neglect.

I put down a motion for the production of papers. The government said that the convention was hypothetical and therefore Canada had done no study of it. But what then is to guide the decision with respect to ratification that Canada must take for itself? There is no answer.

I want to know what Canada is going to do. I suggest that the present stonewalling is a result of callous, foolish, bungling neglect—a neglect born of ignorance and fostered by a naive trust in foreign shipping concerns. This is not good enough. We must end the somnolence and sleepwalking that this minister and this government satisfy themselves with and act now to ratify a code of ethics.

I seek information tonight. On November 6 I wrote the Canadian Transport Commission seeking the size of the Canadian fleet. I have never received a written answer to this day, although I had a phone call which said that they did not know. They did not know, Madam Speaker, the size of Canada's fleet.

I wrote to Statistics Canada for some informations as to the impact this agreement would have on our fleets. They did not know, but for what they could provide they wanted me to pay $1,000. One thousand dollars for irrelevant material! Sadder still, the Dominion Marine Association never even acknowledged my inquiries.

I want to know how much money Canada loses in foreign exchange for shipping charges to foreign fleets. It has been estimated at over $1½ billion each year—each year we have no fleet in Canada. Canada's history under successive Liberal administrations has been one of lost opportunities. I hope tonight we can start the long trail to

a safe, predictable, profitable and constructive national flag fleet for Canada's international trade.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, I will answer solely the question put by the hon member. It is unfortunate that time does not permit me to answer all the comments he made this evening which were not included in his notice.

Even though the United Nations convention on a code of conduct for liner conferences concluded in Geneva on April 7, 1974, and a majority of countries voted in preference to accept the code, it is by no means certain that the code will ever be ratified by the necessary countries so that it can be enforced. As the member is probably aware, the code would become effective with the accession of 24 states with at least 25 per cent of world registered cargo tonnage.

I think it would be useful to point out the main reasons why Canada abstained. The approved code requires compulsory cargo sharing which would effectively remove competition in setting rates. The code provides for the establishment of a new structure for compulsory arbitration. The Canadian position was that this arbitration should be established within the existing United Nations structure. The code, however, provides for an elaborate new structure with the prospect of elaborate new costs which would have to be provided by the trading nations.

At the present time Canada is considering certain factors which will determinate whether or not Canada accedes to the code. I think it should be pointed out that only two countries, Iran and the Philippines, have signed. Another factor that Canada must consider is the attitude of her main trading partners. Thirdly, we must look into the compatibility of this code with other Canadian international agreements. Bilateralism and the 40-40-20 formula, to which the hon. member referred, may diminish the role of cross-trading and increase costs of intercontinental transportation. And last, but not the least important, we must look very carefully at the effect on Canadian domestic interests.

I believe the Minister of Transport (Mr. Marchand) is on record as being inclined to support the idea of a Canadian merchant fleet. The circumstances which dictated Canada's abandoning its merchant marine fleet after the Second World War have changed greatly. The convention promotes national shipping lines, but the definition embraces even foreign ships under charter. Hence, accession to the convention would not in itself imply any commitment to develop a merchant marine.

AIR TRANSPORT—DEFECT IN PRATT AND WHITNEY JET ENGINE—COMPLIANCE OF CANADIAN AIRLINES WITH MODIFICATION

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, the topic I am speaking on tonight is one that concerns directly or indirectly a great number of Canadians. I refer to the subject of safety on our domestic airlines. This is a subject I have been investigating for some time.

[Mr. Forrestall.]

I received confirmation from the Minister of Transport (Mr. Marchand) that a Pratt and Whitney engine modification I had inquired about was to be performed on Canadian airline planes. I was gratified by this, but I am very concerned about some other problems in this field. In 1974 we saw a sharp rise in the number of fatalities on commercial flights abroad. In the United States more than twice the number of passengers and crew lost their lives in 1974, as compared with 1973, the number of deaths per 100 million passenger miles rising to .256 from .122.

I should like to ask the Minister of Transport a number of questions, for the purpose of ensuring that this rising fatality rate does not spill over into Canada's air industry. We have been fortunate so far, but a number of recent occurrences have given rise to a growing belief that the ministry of transport is not doing its job as far as air safety is concerned. One example was the revelation last year that dangerous air cargo was often being transported while improperly packaged or labelled, and with the air and ground crews being unaware of its contents.

The Ministry of Transport has also apparently failed to monitor certain problems with some air systems on domestic airlines. I have in my possession an Air Canada maintenance document that states that flight 526 out of Quebec City on March 26, 1974, depressurized, and that 40 per cent of the oxygen masks failed to supply oxygen. The company management has subsequently claimed that all oxygen systems have operated "within design tolerances". They have admitted, however, that the Douglas Company held a meeting in October, 1974, with a number of airlines on the subject of the DC-9 pressurization and oxygen systems, which are termed much "more critical" than those of other aircraft. As a result, Air Canada carried out 22 modifications on these systems with which, two months earlier, they had claimed there was "no problem". These discrepancies in information demand investigation.

● (2220)

Last Monday evening, Winnipeg International Airport was closed for three hours. Yet during the period the airport was closed an L-1011 belonging to Air Canada was given clearance to land—the airport management stated that the aircraft had an engine out, making it an emergency situation. Simultaneously, Air Canada stated there was no problem with the plane. Even if other sections of the Department of Transport are in a mess, the particular facet of the operation we are considering involves a regulatory body which is responsible for thousands of people's lives every day where mistakes can be tragic and fatal.

This morning's Montreal *Gazette* carried a front page story headed "Profits go First Class as Airlines put Safety Second." It states:

> Safety regulations are being sidestepped routinely on most commercial flights in Canada including Air Canada and CP Air as airline officials and federal authorities turn a blind eye.

The well researched article goes on to quote a number of airline employees as saying that regulations concerning the taking on board of baggage that will not fit under the seats and forbidding passengers to sit beside emergency exits are ignored as a matter of course. Pilots complain that passenger bridges are withdrawn before the pilot

gives the okay. All employees agree that the management of the airlines stress no delays and no ruffling of passengers' feathers long before they stress conforming with the law.

It is further reported in this and an accompanying article that employees have been reprimanded for delays caused by their concern for safety regulations and at least one purser, who is named in this article, has been asked to resign twice by his direct superiors because of a pet concern for safety.

When charges such as these, combined with the examples of ministry of transport negligence I have cited, appear on the front page of a respected Canadian newspaper, the government has no choice but to initiate an independent investigation into the enforcement of MOT regulations and the conduct of our domestic airlines in complying with those regulations.

I would also like to ask the Minister of Transport whether or not his department has plans to require a device known as the ground proximity warning system to be installed on all Canadian airlines. This device senses an aircraft's rate of altitude change and height above the ground, signalling when evasive action is necessary to avoid a collision. It costs between $10,000 and $15,000 per aircraft, and is to be made mandatory by the FAA in December.

The subject matter of my speech could be discussed when Bill C-226 comes before the Standing Committee on Transport. Bill C-226 is an act to provide for the constitution of a federal transport commission of inquiry which would impartially investigate traffic accidents, safety standards and regulations. The United States is setting up such a safety board. It is no longer proper for the ministry of transport to be investigating itself.

I would like to say, in conclusion, that it has been brought to my attention today that the Ministry of Transport fire trucks at Vancouver Airport do not have ladders long enough to reach the second deck—

Some hon. Members: Shame!

The Acting Speaker (Mrs. Morin): Order. The hon. member's time has expired.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The hon. member for Winnipeg South Centre (Mr. McKenzie) has chosen to deal with a number of matters other than the one involving the Pratt and Whitney aircraft engine of which he gave notice. In any case, I believe the hon. member is to be lauded for his continued concern in the area of passenger safety.

As he is aware, aircraft and aircraft components such as engines are strictly monitored, and regulations concerning safety are strictly enforced. Indeed, I can say they are religiously adhered to by Canadian airlines. All Canadian air carriers have taken the appropriate action specified by the aircraft engine manufacturer, Pratt and Whitney. The United States Federal Aviation Administration is issuing an air worthiness directive on this subject which will require inspections of the shaft. Compliance with an air worthiness directive issued by the aeronautical authorities of the country of manufacture of an aircraft is a condition of a Canadian air worthiness certificate. It is not necessary for our ministry to duplicate such directives.

In view of the fact that the hon. member made reference to the Montreal *Gazette*, I should like to point out that many of the points made in the newspaper article are grossly exaggerated. As a matter of fact there is some evidence that the individuals selected for interview by the reporter, David Tafler, are not aware of MOT's increased activity and the several meetings that have taken place with the air lines during the last six months. I do not believe that the marketing personnel of the air carriers have the authority alleged by Tafler.

In regard to the suggestion that certain of these members have been speaking in an irresponsible manner, I have been in touch with the head office of the Canadian Air Line Pilots Association and they are equally surprised by the appearance of the article in the newspaper, and are attempting to ascertain who among their members have been speaking out in such an irresponsible manner. Probably more facts will emerge, but I am pleased that this point was brought out.

I would remind the hon. member that Air Canada has always considered safety of its passengers before any other consideration. I think the safety record of Air Canada speaks for itself; it has one of the best records in the world.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Tuesday, February 25, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. NOWLAN—SUGGESTED REFERENCE OF PROCEDURES DURING ROUTINE PROCEEDINGS TO STANDING COMMITTEE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a question of privilege arising out of the debate that took place yesterday on the alleged question of privilege of the Parliamentary Secretary to the President of the Privy Council (Mr. Reid). Your Honour will clearly understand from my question of privilege and my explanation that I certainly would defer my question of privilege at this time, in order that we can proceed with the regular business of the House, at least until after the question period if it is understood that I might then intercede and develop this point. It will become very clear from my point that what I am trying to do is facilitate our proceedings.

I wanted to bring this matter to Your Honour's attention at the earliest possible moment. I came in late yesterday, while the debate was on, and I was in and out of the chamber a couple of times. But on checking *Hansard* today I find horrible confirmation of what I heard yesterday, and that is my reason for the question of privilege.

Mr. Speaker: Will it be in order for the hon. member to raise his question of privilege after the question period is completed?

Some hon. Members: Agreed.

* * *

[*Translation*]

AGRICULTURE

MILK—REQUEST FOR REINSTATEMENT OF SUBSIDY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to introduce a motion concerning an extremely urgent matter.

Since the retail price of fluid milk will be raised to 51 cents a quart as of March 1, 1975, which represents a considerable increase in expenditures for large families; considering that between October 1973 and January 1975, the government paid $109 million in grants for the consumption of fluid milk and that this amount represents an increase in the purchasing power of consumers amounting to $7.3 million a month; considering that inflation more particularly affects large families with low or average income; considering that this action would be beneficial to the consumers as well as to farm producers, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House ask without debate to the Minister of Agriculture to undertake immediate negotiations with the provincial governments to come to an agreement on the re-establishment of the subsidy on fluid milk and to suggest thereafter to the federal cabinet that a 10 cents rebate or subsidy a quart be applied on the consumption of fluid milk.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

● (1410)

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR SUBSTANTIATION OF ANSWER TO ORDER PAPER QUESTION NO. 241—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion of urgent and pressing necessity.

Some hon. Members: No.

Mr. Cossitt: It arises from the answer given yesterday to my order paper question No. 241 on the subject of the reported statement made last September by Ivan Head of the Prime Minister's office on the subject of a new left-wing foreign policy for Canada—

Some hon. Members: Hear, hear!

Mr. Cossitt: —and the subsequent statements by the Prime Minister and by the Secretary of State for External Affairs. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the House request the Prime Minister to make full disclosure of the powers and duties of Ivan Head and further, in view of the fact that the answer to order paper question 241 in effect casts reflections on the integrity and truthfulness of the reporting of two respected members of the press corps and on the Canadian Press and the Southam News Services, the House requests those involved in answering question 241, namely Ivan Head, the Prime Minister, the Secretary

of State for External Affairs and the President of the Privy Council, to immediately substantiate with evidence the correctness of the answer or otherwise to forthwith withdraw the answer as unfortunate and inaccurate.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and therefore requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

AIRPORTS

MIRABEL—SUGGESTION EXCESS OF LAND EXPROPRIATED BE RETURNED FOR AGRICULTURAL PURPOSES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, I rise under Standing Order 43 to ask for the unanimous consent of the House to discuss an urgent matter.

Mr. Speaker, last week the Minister of Transport (Mr. Marchand) stated that thousands of acres of expropriated land for the purpose of Mirabel airport at Sainte-Scholastique would not be used and that the government was considering reselling this land.

Since there is absolute need to protect our fertile land, I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That the responsible minister be requested to call a meeting of the transport committee or of a special committee to return this land to their original farming vocation.

Mr. Speaker: The house has heard the hon. member's motion. Under Standing Order 43, this motion requires the unanimous consent of the House; is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

PUBLIC SERVICE

GRANTING OF BONUS TO ALL QUALIFIED BILINGUAL EMPLOYEES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

Since a number of civil servants who speak both English and French, but who have been classified as unilingual and who are in positions classified as unilingual, are compelled to serve Canadian taxpayers in both official languages, without having their particular ability duly recognized, which comment applies also to others, with the exception of House of Commons employees, who are not entitled to the bilingualism bonus, in spite of their knowledge of both official languages and ability to serve Canadian taxpayers in both official languages; and since such a situation is unfair to these civil servants, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House look into the possible granting of the bilingualism bonus to all civil servants who successfully complete the public service bilingualism tests, so that all civil servants who went to the trouble of learning both official languages and can serve Canadian taxpayers in both languages may be rewarded for their special ability.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

SUGGESTED INVESTIGATION OF ADVERTISING OF MODEL HAND GUNS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my motion under Standing Order 43 is brief and to the point. I rise under the provisions of Standing Order 43. I do so because of the urgent and pressing necessity of investigating or controlling the advertising of hand guns as contained in an advertisement in the Trail *Times* of Friday, February 14th, 1975. That date was Valentine's Day, a day which is significant in the history of crime. The advertisement shows four different pistols and two different revolvers of known type and make and states that they are precision machined metal models which look, feel, weigh and even disassemble like the originals. They are perfectly legal. They cannot be fired. Even dummy cartridges are available.

Mr. Speaker, in view of the national concern about the increase in crime and violence and the concern of the government for the control of hand guns, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That the Minister of Justice immediately investigate and act upon this form of advertising.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and therefore requires the unanimous consent of the House before it can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Without there being unanimous consent the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

FINANCE

DISAPPEARANCE OF PREFERENTIAL INTEREST RATE FOR SMALL BUSINESSES—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Minister of Finance who will recall that he associated himself, at least, with a preferential rate on bank loans to small business substantially below the rate for larger business. I have received a complaint that this preferential rate for small business has quietly disappeared. Can the minister indicate whether this is so, and whether the disappearance or abolition of this preferential rate for small businesses carries his approval?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, when interest rates were going up I asked the banks to consider a preferential rate for small business, which they did. As the interest rates continued to go up, that differential between the prime rate and the prime rate for small business of course increased at the same time. As interest rates come down, that differential diminishes, and I see nothing abnormal in that.

Mr. Stanfield: Do I take it from what the minister says that he approves of the disappearance of this preferential rate for small business at the banks? If this is the case, may I ask the minister what the difference is in the present situation compared with the time when this two tier system was introduced with the encouragement of the minister? At that time, in May of 1973, the prime rate was, I think, two full percentage points less than it is today.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, at the peak of interest rates the differential between the small business loan rate and the prime rate for other business was anywhere from 1¼ to 1½ points. As the rate comes down, that differential diminishes. The fact that that differential is diminishing in no way lessens my feeling, which I have conveyed to the banks, that they ought to continue to give preference in their credit allocation to Canadian-owned small business across the country, as well as to farmers, fishermen and to those areas of the country less reasonably favoured by economic circumstances.

INTEREST RATE ON CONSUMER CREDIT—POSSIBLE MAINTENANCE OF RATE TO CONTROL VOLUME

Hon. Robert L. Stanfield (Leader of the Opposition): One further supplementary, Mr. Speaker. The minister does not make it clear that the two tier system is, in fact, being preserved. Perhaps I might ask him a question about interest rates on consumer loans which seem to have held steady in spite of the reductions in the prime rate. I would like to ask the minister whether this is something approved as an appropriate method of containing the growth of consumer credit. Is it government policy or the policy of his department to encourage the banks to maintain the same level of interest rates on consumer credit from the point of view of containing the volume of that credit?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, it is not government policy or the policy of the Bank of Canada to restrict consumer credit, particularly in view of slackening demand in durables in this country. But the hon. gentleman, if he looks over the figures as they developed over 1974 and into 1975, will recall that while the prime rate went up 4 points, the consumer credit on a contractual basis went up only about 1 to 1½ points. In other words, the consumer loan rate moved up far more slowly, and it will move more slowly down. The prime rate will be reflected not only in mortgage rates but in consumer rates and other rates as the reduction works its way through the system.

● (1420)

CONSUMER LOANS—SUGGESTED LOWERING OF INTEREST RATE AS MEANS OF LOWERING INVENTORY OF DURABLE GOODS

Mr. James A. McGrath (St. John's East): In view of the growing inventory of durables in Canada, and since the interest rate on consumer loans has held steady in spite of reductions in the prime rate, does the minister intend to meet with the chartered banks and discuss with them the possibility of bringing consumer loan rates more into line with the new prime lending rate as a means of lowering the durable inventory and thus avoiding a recessionary trend?

Hon. John N. Turner (Minister of Finance): If the demand does not strengthen for consumer durables the rate structure will reflect it.

CONSUMER LOANS—SUGGESTION MINISTER INSTRUCT BANKS TO LOWER INTEREST RATES

Mr. Lorne Nystrom (Yorkton-Melville): In view of the fact that prime rates have now declined to about 9 per cent and that consumer rates have not fallen correspondingly, may I ask whether the minister has been in contact with the banks instructing or asking them to lower consumer rates, and if not, whether he intends to do so?

Hon. John N. Turner (Minister of Finance): In my conversations on a weekly basis with the governor of the Bank of Canada I conveyed this submission to the banks but, as I told the Leader of the Opposition, the consumer rates did not move up to nearly the same extent as the bank rate and other prime rates did—when interest rates moved four points, the consumer rate moved one point up. As the interest rate structure embraces the whole of the rate structure, I think one can assume that the differential between the consumer rates and the prime rate will again readjust.

MORTGAGE INTEREST RATES—POSSIBLE LEGISLATIVE ACTION TO CONTROL

Mr. Lorne Nystrom (Yorkton-Melville): Has the minister spoken to the banks about mortgage rates? Can he tell us at what level he wants the banks to set mortgage rates.

If the banks fail to act quickly enough to bring down mortgage rates and consumer rates, bearing in mind their important bearing on inflation and unemployment does he propose to take legislative action to control interest rates in this country?

Hon. John N. Turner (Minister of Finance): Mortgage interest rates have softened by between one and a half and one and three-quarter points in the last month and a half, reflecting the total movement of interest rates. The specific answer to the hon. member's question is, no. We do not intend to legislate mortgage interest rates. We are interested not only in a reasonable rate for the potential home owner; we also want to ensure a reasonable rate which will attract the amount of money into the mortgage market which, of itself, will have the effect of reducing mortgage rates.

CONSUMER LOAN AND MORTGAGE INTEREST RATES—POSSIBLE REPRESENTATIONS TO BANKS TO LOWER IN VIEW OF LOWER RATE ON DEPOSITS

Mr. Lorne Nystrom (Yorkton-Melville): In view of the fact that the interest rate has dropped drastically on savings deposits in the last few weeks, has the Minister of Finance made any representations to the banks asking them, since they are lowering the deposit rates, to lower immediately the consumer loan rates and the mortgage rates?

Hon. John N. Turner (Minister of Finance): What particularly concerns me is the differential between what a bank pays for the money it borrows and what a bank charges for the money it lends. Those differentials have not changed.

* * *

[*Translation*]

PUBLIC SERVICE

GRANTING OF BONUS TO ALL QUALIFIED BILINGUAL EMPLOYEES—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to direct a question to the President of the Treasury Board.

In view of the fact that there is trouble in the federal public service, in view also of the motion moved earlier by my colleague, the hon. member for Rimouski, relating to a bonus for bilingual federal public servants, and finally in view of the fact that the minister declared recently that only the employees related to Parliament, like secretaries, were entitled to the 7 per cent bonus if they were bilingual, does the minister not agree that we should extend this 7 per cent bonus to all the federal public servants throughout Canada? As it is French-speaking employees object to speaking English in federal offices, and English-speaking employees object to speaking French. In my opinion, this 7 per cent bonus would settle those conflicts in all the provinces of Canada. Does the minister intend to do something along these lines?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I am aware of this problem. It is extremely complex, as I told the House of Commons last week. We are now reviewing this situation. The 7 per cent bonus has been instituted because of particular circumstances, because of the fact that the supply of and demand for secretaries did not favour the government. We have been forced to add an extra bonus to find bilingual secretaries, but we do not intend to extend this principle to all public servants. Besides, in relation to the current problem in Montreal, we are reviewing it and we hope to find a solution acceptable to everybody.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary. Does the minister know whether, in Montreal, those who are against the use of the French language are asking for the 7 per cent bonus? I am wondering if the minister admitted yesterday that federal civil servants had the right to strike. Is the matter of the 7 per cent bonus now being looked into by the negotiating committee which has been meeting, after a fashion, day after day, far too long?

Mr. Chrétien: Mr. Speaker, the hon. member is confusing two situations. The blue collar workers' strike has nothing to do with the bilingualism problem.

With regard to the situation at Montreal and bilingualism, the workers are not on strike but working to rule. I trust the employees concerned will realize that they are not improving the situation by so doing. They should co-operate. We will try to find an acceptable solution.

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to ask one last supplementary question.

Would the minister tell the House whether it is true that the Unemployment Insurance Commission has harassed and threatened its employees classified as Francophones who refuse to speak English in the performance of their duties, as reported in an article published in *Le Jour*, which is not my favorite newspaper? Is the minister aware that Unemployment Insurance Commission officials are alleged to have threatened some employees?

Mr. Chrétien: I know nothing about those threats, Mr. Speaker. The Unemployment Insurance Commission tries to give the services all Canadians living in the Montreal area are entitled to. Francophones as well as Anglophones must be dealt with in the official language of their choice. I trust the employees will understand that creating such difficulties does not improve the climate.

* * *

[*English*]

HARBOURS

HAMILTON HARBOUR COMMISSION—REQUEST FOR ASSURANCE NO MEMBERS OF PARLIAMENT IMPLICATED IN COURT PROCEEDINGS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, may I direct a question to the Solicitor General further to my question of yesterday concerning the Hamilton harbour matter. Can the Solicitor General now say with certainty that he has acquainted himself with the transcripts of the preliminary inquiry to which I referred, and can he now assure the House and country that no members

of parliament or ministers of the Crown are implicated in such a way that there is cause for concern about their role in the matters under investigation?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have not examined the tapes, although I consulted the Commissioner of the RCMP about them. He assures me that the matter is still under investigation and if any action is to be taken, the RCMP will take it.

Mr. MacKay: A supplementary question, Mr. Speaker. I asked if the minister has access to the transcripts of the preliminary inquiry to which I referred. If he has, would he not agree that it would be a good idea if he could read the transcripts at this time, to satisfy himself along the lines I have suggested.

Mr. Allmand: Mr. Speaker, I can have access to the tapes but I rely on the advice given to me by the RCMP in this matter. I have lots of things to do, and if they suggest to me that it is important that I should consult these tapes, I will, of course, do that.

Mr. MacKay: Mr. Speaker, I rise on a point of order, which is perhaps not of great consequence. I ask the Solicitor General to study my question. I was not speaking about tapes; I was referring, in my questions, to transcripts of the preliminary inquiry.

Mr. Allmand: Mr. Speaker, I meant to say "transcripts" instead of "tapes" and I am sorry. I made a mistake in that. I do have access to the transcripts, which I understand are voluminous. The RCMP have read to me some parts of them. I have not read all of them, and I would rely on their advice. I asked them to inform me if they think I should read more of them.

● (1430)

HAMILTON HARBOUR COMMISSION—DOCUMENT SERVED ON MINISTER OF LABOUR TO AUTHORIZE SEARCH OF OFFICE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to ask the Minister of Labour whether he was served with any documentation at the time the RCMP allegedly had authority to search his office. Was the minister served with an affidavit or any other documentation which led to the authority for his office being searched sometime during the election? The minister knows the time.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the RCMP did come to my office. They had a document, but it did not pertain to my particular office. In any event, I gave them access to what they wanted.

Mr. Woolliams: Has the minister seen any documents which gave the RCMP authority to search his office and take certain files or whatever else they did at that time? Has the minister read any documentation which the RCMP had or which was filed in the court house to give the RCMP that authority?

Mr. Munro (Hamilton East): Mr. Speaker, I do not think anything was filed in the court house because the documentation was not applicable to my particular headquarters. I just saw what they had. They agreed it was not applicable.

Mr. Woolliams: Do I take it that no search was made of the minister's office because the authority they had did not pertain to the office of the Minister of Labour or any material or documentation the minister may have had? Also, did the minister read what the RCMP had in their hand which gave them some authority, either in his office or that of someone else?

Mr. Munro (Hamilton East): Mr. Speaker, they wanted permission to look at documents in my office, the contents of which I was really not aware. They were in cabinets. I gave them permission to go ahead, even though they did not have proper authority.

HAMILTON HARBOUR COMMISSION—KNOWLEDGE OF MINISTER OF LABOUR OF CONTENTS OF TRANSCRIPT OF PRELIMINARY HEARING

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a supplementary question for the Minister of Labour. Since the Minister has indicated publicly that he knew he was involved in some way or another with respect to this matter at least as early as last June, and therefore I know this must be of great concern to him and his friends, will he be good enough to tell us if he has read or has had read to him either the transcript of the preliminary hearing in question or parts of the transcript of the preliminary hearing.

Hon. John C. Munro (Minister of Labour): Obviously from my answer yesterday, Mr. Speaker, I have not seen the transcript. However, I am aware of certain references therein.

HAMILTON HARBOUR COMMISSION—KNOWLEDGE OF MINISTER OF LABOUR OF POSSIBILITY OF BEING WITNESS IN COURT PROCEEDINGS

Mr. Allan Lawrence (Northumberland-Durham): Would the minister then be good enough to tell the House whether any indication has been given to him or, for that matter, if he believes he is going to be a witness respecting a criminal trial that will take place in respect of this matter?

Hon. Pierre Trudeau (Prime Minister): Mr. Speaker, I rise on a point of order. The minister is being extremely helpful in answering these questions. I put it to you, Mr. Speaker, is this really proper? The minister is not being asked any questions relative to the administration of his department. In my opinion, this line of probing is not within the rules of the House. I do not find it very dignified.

Some hon. Members: Hear, hear!

Mr. Stanfield: I rise very briefly on the point of order, Mr. Speaker. The Prime Minister has a perfect right to rise and suggest how the House should be operated. I know Your Honour makes your own decisions. It was the failure of the Solicitor General to give a frank and full response to the question put to him by the hon. member for Central

Nova which led to the additional questions. That is my impression. Had the Solicitor General indicated an intention of examining all the evidence and giving the House some assurance with regard to that, the matter would have ended.

Mr. Lawrence: Mr. Speaker, I rise on the same point of order. I am sure it need not be pointed out to you, Sir, and the House that at least in other jurisdictions this is an extremely important matter affecting the honour and integrity of people in public life. Certain allegations have already been printed in the newspapers. This is important enough that I find it almost inconceivable for the minister concerned here to not even bother to take a look at the transcripts.

Some hon. Members: Hear, hear!

Mr. Lawrence: Pending a trial or not, because the matter has been raised in the public press, and is now in the public domain through the raising of this matter in another parliament in addition to this, there should be no reason at all to be hesitant about asking the minister questions in relation to his own involvement in the matter. If the minister is not involved, and if there is nothing wrong with it, then how in the world can a question of whether this matter is relevant or in order be raised by the Prime Minister at this stage? No one is making any charge.

Some hon. Members: Oh, oh!

Mr. Lawrence: That should not prevent me or others from attempting to find out the truth of the matter. I have asked my supplementary question of the minister, and regardless of whether the Prime Minister is touchy about it or not, I have every right to ask that question and every right now to expect the minister to reply.

Some hon. Members: Hear, hear!

Mr. Allmand: On the same point of order, Mr. Speaker, I should point out to the House that I am not the attorney general with respect to this matter. This matter is subject to prosecution by the government of Ontario. It is under the attorney general of the government of Ontario. The RCMP have been reviewing the evidence with their officials, not with mine, with regard to a prosecution.

Mr. MacKay: Mr. Speaker, I rise on the same point of order. I suggest that under all the circumstances, the Minister of Labour should consider tabling in the House or making available to the public the basis for the extraordinary legal procedure that justified the RCMP at a very critical time going to his office and making the types of inquiries and requests it has been indicated were made. Such a procedure would only have been justified by an affidavit—

Some hon. Members: Order!

Mr. Speaker: Order, please. With due respect to the hon. member, the point of order before the House at the present time is whether or not questions put by the hon. member for Northumberland-Durham are proper questions within the precedents as we understand them, not what kind of answers or information the minister ought to or is likely to give. Are there any other hon. members who want to contribute to the point of order?

This matter was first raised yesterday. I listened carefully to the questions that were asked. The Minister of Labour first intervened in this subject matter yesterday by raising a question of privilege as to his alleged involvement on the basis of questions put to him. Questions are being asked today as to whether the Minister of Labour has an indication or information that he is likely to be subpoenaed, summonsed or called as a witness concerning certain things that took place in the Hamilton area.

It is difficult for me to conclude that these questions do not somehow relate to his ministerial capacity as the Minister of Labour. I would intervene to prevent questions that go beyond the bounds of his capacity and administrative responsibility because that is the areas within which questions should be directed. Since he is Minister of Labour, and is being asked in that capacity whether or not he has any information to indicate that he will be called as a witness, it seems to me the question relates to his capacity as minister rather than to his personal capacity as a member of the House. I have no basis upon which I can disallow the questions that have been asked of him.

● (1440)

Mr. Lawrence: Then, in case the minister has forgotten my question, Mr. Speaker, shall I repeat it, or is he going to reply?

Mr. Speaker: Would the hon. member for Northumberland-Durham repeat his question.

Mr. Lawrence: Would the Minister of Labour now care to tell the House whether or not he will be called as a witness in a criminal trial respecting some allegations that have been made?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, may I rise on a point of order concerning this question?

Mr. Horner: Are you after the leadership over there, John?

Mr. Speaker: Order, please. The Minister of Finance is rising on a point of order.

Mr. Turner (Ottawa-Carleton): I think I should draw to Your Honour's attention and to the attention of the House two citations from Beauchesne's Fourth Edition.

Mr. Speaker: Order. Is the Minister of Finance seeking the floor on a fresh point of order or on the propriety of the question that has been asked?

Mr. Baker (Grenville-Carleton): He wants to be Speaker.

Mr. Speaker: I have already ruled that I find no basis upon which I am able to disallow the question that has just been put by the hon. member for Northumberland-Durham. I invited the participation of other members before coming to that decision. If this is a fresh point of order, I will hear it.

Mr. Turner (Ottawa-Carleton): That is not my point of order, Mr. Speaker, I am not submitting to Your Honour that you should disallow the question; I am simply submitting, through you to the hon. member, that he ought to take responsibility for his question. I should like to recite to Your Honour citation 178 of Beauchesne:

> Questions addressed to Ministers should relate to the public affairs with which they are officially connected, to proceedings pending in Parliament, or to any matter of administration for which the Minister is responsible. Within these lines an explanation can be sought regarding the intentions of the Government, but not an expression of opinion upon matters of policy.
>
> It is not in order to ask merely whether certain statements made in a newspaper, are true; but attention may be drawn to such statements, if the member, who puts the question, makes himself responsible for their accuracy.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I should also like to read to Your Honour, for the benefit of the House, citation 179:

> If, for instance, a member's question is based on a newspaper report to the effect that a serious offence has been committed by a certain government officer and the member vouches for the accuracy of that statement which later on is found to be untrue, he will suffer the consequences of having induced the House into error and may be censured or sentenced to a penalty which the House may deem proper to impose upon him. Should the minister concerned answer the question before the falsehood is detected the House would be justified in punishing the member with the utmost severity.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Minister of Finance has sought the floor on a serious point of order. It is a matter of some considerable importance, so I wonder whether the minister might be allowed to make his point.

Mr. Turner (Ottawa-Carleton): Citation 179 continues:

> If the member refuses to make himself responsible for the accuracy of the facts reported by the newspaper, the minister is not bound to answer the question.

My point of order is this, Mr. Speaker. If the hon. member for Northumberland-Durham, who has tried this tactic before, wants to put this type of question to any minister, then he impliedly or explicitly must start to take responsibility for the statement he is making. If he does so and he makes a charge to back up those allegations, then he puts his seat on the line and takes the consequences.

Mr. Speaker: Order, please. I do not want unnecessarily to cut short discussion on this particular point, but I have listened carefully to the question that has been put to the minister, which is simply whether or not the minister has any information which would indicate to him that he may be a witness in certain proceedings. Surely, there can be no insinuation regarding the character of evidence or the nature of it, or the minister's involvement, beyond the fact that he is a witness in a proceeding which might take any kind of character when he is there.

If an insinuation of any sort were contained in the question then I would disallow the question. It is because the question does not contain such insinuation that I have allowed it. Accordingly, the point the Minister of Finance has now raised, being based necessarily upon the content of some insinuation, I would equally disallow; but I assure the House that I have watched the questions carefully, and if they do reach the point where they do contain such insinuation, I will intervene at that time.

Mr. Baldwin: Mr. Speaker, I readily agree with what you have just said, and if there were, in effect, any insinuation along the lines stated by the Minister of Finance, then I would be the first to accept it. But this is not the first time that this party has been subjected to the blackmail tactics of members on the other side. I will leave it on this basis, Mr. Speaker, that we will not be suppressed by these attempts to muzzle members on this side of the House.

Mr. Speaker: All that having been said so eloquently, could we now return to the point where we had put the question by the hon. member for Northumberland-Durham to the Minister of Labour.

Mr. Lawrence: Right on, Mr. Speaker.

Hon. John C. Munro (Minister of Labour): No.

Mr. Speaker: The hon. member for Humber-St. George's-St. Barbe.

* * *

VETERANS AFFAIRS

DATE OF INTRODUCTION OF VETERANS HOUSING LEGISLATION—SURVEY OF SUBSTANDARD HOUSING IN NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, returning to an area of our society that does not seem to hold too much interest, I should like to ask the Minister of Veterans Affairs a question. While he has indicated on a number of occasions that veterans' housing legislation is in the offing, in view of the fact that there is not too much time left before March 31, 1975 is upon us, I wonder whether the minister could now disclose to the House something concrete by way of veterans' legislation which is being considered; and when will the legislation be introduced so as to allay the fears of those who may have an opportunity to qualify under the Veterans' Land Act before March 31?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the hon. member is referring to the authorization that I, along with the Minister of State for Urban Affairs, received to study the need for veterans' housing. I should like to inform the hon. member that things have progressed very well and the study is nearing the final stages. When we have the final report I will be glad to make an announcement in the House.

Mr. Marshall: A supplementary question, Mr. Speaker. In view of the fact that many of our veterans who are receiving war veterans' allowance and disability pensions are on fixed incomes, and in view of the fact that a survey is being made by the province of Newfoundland of the status of substandard housing for veterans, would the minister indicate whether consideration is being given to rehabilitating substandard housing for veterans, and if indeed those on fixed incomes will be able to apply under

the new legislation so they can provide themselves with the homes they need in line with the incomes they receive?

● (1450)

Mr. MacDonald (Cardigan): Mr. Speaker, with regard to the status of that study on housing in Newfoundland, the first phase has been completed, we have received it and have looked at it, but to my knowledge the second part of the study has not as yet been received.

* * *

CANADIAN NATIONAL RAILWAYS

POSSIBILITY INCREASED EXPRESS RATES CAUSED LAY-OFFS—REQUEST FOR RESCINDING OF INCREASE PENDING RATE NEGOTIATIONS WITH PROVINCES

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct my question to the Minister of Transport, and I hope he is feeling well. I provided notice yesterday of this matter I wish to raise. In view of recent additional increases in rates, in this case express rates by the CNR, to the ridiculous point where shipments are going to be—

Some hon. Members: Question.

Mr. Speaker: Order, please. If the hon. member has a question to put to the minister I would be grateful if he would put it.

Mr. Benjamin: With all due respect, Mr. Speaker, I am going slowly—

Some hon. Members: Question, question.

Mr. Paproski: Come on Benjamin, get with it.

Mr. Benjamin: I am proceeding slowly so that the minister can hear me over this rabble, or is it babble.

Some hon. Members: Oh, oh!

Mr. Benjamin: In view of the impending lay-offs, notice of which the CN has already given to express employees in Winnipeg, and undoubtedly at a number of other points in the country, will the Minister of Transport inform the House if the reasons for these impending lay-offs of CN express employees in Winnipeg, to take effect this Friday—

Some hon. Members: Question, question.

Mr. Benjamin: Would the minister explain to what extent these lay-offs are the results of the CN's new express rates which have resulted in an increase of up to 600 per cent in respect of some shipments, which in turn has driven the business to competitors, including Canadian Pacific?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am feeling very well, especially as the people of Calgary welcomed me warmly yesterday and I am fully rested. I thank the hon. member very much for having sent me a letter indicating that he would ask me this question today. The only thing I can do is try to get some information from the Canadian National to know why 15 people have been dismissed and why the rates have been increased. Therefore, I shall ask the CTC and give the answers I get.

[*English*]

Mr. Benjamin: Mr. Speaker, will the minister undertake to meet with the senior officers of Canadian National, including the general manager of express and—

Mr. Marchand (Langelier): I didn't say that.

Mr. Benjamin: Mr. Speaker, I asked if the minister would undertake to meet with the officers of Canadian National, including the general manager of express and international mobile services, with a view to persuading or compelling the CN to rescind its new express rates pending the outcome of negotiations with the provinces on rate structures?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, yesterday I discussed all these increases in rates with the western ministers of transport all day. If the hon. member is interested, I can table the press release I signed with all the western ministers of transport. I think there was general agreement. As for the dismissal of 15 persons in the Canadian National, I think there is a union looking after its members and if there is some injustice, I trust as much the union to defend its members as the hon. member for Calgary.

[*English*]

FREIGHT RATES—AGREEMENT WITH PROVINCES PROHIBITING ACROSS THE BOARD INCREASES—REQUEST FOR IMMEDIATE IMPLEMENTATION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, the minister really evades the questions I put to him. I will put another question to him. In view of the fact that there was a transport ministers' conference yesterday, at which the minister met with the four western provinces, yet he failed to make any kind of statement on motions, and it was impossible to get a copy of the press statement from his office—

Some hon. Members: Question, question!

Mr. Benjamin: In view of the agreement in principle reached yesterday at the meeting of transport ministers in Calgary, prohibiting across the board increases in freight rates, will the minister take whatever steps may be required, in terms of legislation or otherwise, to ensure immediate implementation of that agreement, and to roll back the increases already put into effect, prohibiting any further increases that will further exaggerate these inequities?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not object to there being serious debate in this House. The hon. member talks about an increase

affecting only one group of commodities and refers to an agreement reached with the western ministers of transport on general increases—

[*English*]

—across the board, as he says, so it is not the same thing at all. If you want to have the communiqué that has been signed by all ministers of transport and myself, I am ready to table it anytime.

Mr. Benjamin: On a point of order, Mr. Speaker. I am sure the House would be very willing to return to motions following the question period, or later this day, so the minister could do what he should have done; that is, make a statement on motions today reporting on that conference of yesterday.

* * *

[*Translation*]

EXTERNAL AFFAIRS

PROTEST AGAINST IMPORTATION OF CHICKENS FROM UNITED STATES—GOVERNMENT REACTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the right hon. Prime Minister.

Since an American truck carrying live poultry from the United States has been intercepted by members of the cooperative of Saint-Damase as a sign of protest against imports, while they see their own quotas considerably lowered, can the Prime Minister tell the House whether those imports are absolutely necessary, whether that incident provoked diplomatic reactions, and whether the American consul asked for explanations from Canada on that matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am absolutely not aware of that matter, but on the basis of the hon. member's question, I will refer to the Department of External Affairs to see whether I can give an answer.

* * *

[*English*]

HARBOURS

HAMILTON HARBOUR COMMISSION—NATURE OF DOCUMENT SERVED ON MINISTER OF LABOUR AND OF DOCUMENTS TURNED OVER TO RCMP

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I should like to return to the Minister of Labour and deal with statements made not outside the House, but two which the minister made today. In a procedure unusual for a man learned in the law he did not look at the document presented to him by the RCMP when they asked for documents. Secondly, the minister said that he turned over to the RCMP the documents—

Some hon. Members: Question.

Mr. Speaker: Order, please. If the hon. member has a question, I wonder if he would put it to the minister directly.

Mr. O'Sullivan: I certainly will. The minister indicated he did not know what was in the documents.

Some hon. Members: Question.

Mr. O'Sullivan: Mr. Speaker, I do not know what hon. members opposite are afraid of, but I will ask the minister this question. If he did not know what was in the documents that he so freely handed over to the RCMP, how can this House be sure that he did not turn over secret Cabinet documents, holus-bolus, or personal records and private files relating to constituents of Hamilton East? Why did the minister turn them over if he did not know what he was turning over, and have they been returned to him or are secret Cabinet documents now floating around somewhere?

Hon. John C. Munro (Minister of Labour): No, I do not believe so, because I believe that all my Cabinet documents were back in Ottawa. I do not believe that was the case. I should correct this by saying that the RCMP had the document and they said it was not applicable, as I recall it.

An hon. Member: When was that?

Mr. Munro (Hamilton East): That was sometime ago. It was not applicable to where I was operating. While I think there was an acknowledgement that it was not applicable, I told the RCMP that I would co-operate with them in respect of what they wanted to obtain.

Mr. O'Sullivan: Just for clarification, Mr. Speaker, how can the minister tell us now it was not applicable when he told us earlier he had not read the document?

● (1500)

Mr. Speaker: Order please. That is not a point of order.

Mr. O'Sullivan: Mr. Speaker, it is if he is misleading the House.

Mr. Munro (Hamilton East): Mr. Speaker, I am correcting myself, then. It was some time ago and I recall glancing at it. I recall some agreement that it was not applicable.

HAMILTON HARBOUR COMMISSION—POSSIBLE CONCERN OF PRIME MINISTER ABOUT INVOLVEMENT OF MINISTERS IN POLICE REPORTS

Mr. J. P. Nowlan (Annapolis Valley): My question is for the Prime Minister. In view of the Prime Minister's intervention on a point of order when I understood him to say, in arguing the point of order, that certain questions may not have related directly to the administration of the department of the minister who was being examined, am I to understand then that regardless of the administration of the department of one of his ministers if, in some other way that minister is under investigation or police reports have been made about him, this would not be of concern to the Prime Minister and involve discussions between the Prime Minister and the Solicitor General to see what course of action should be taken?

Right. Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is of concern to the Prime Minister and to the Solicitor General under whose jurisdiction is the RCMP. I fail to see the relevance of the rest of the question.

HAMILTON HARBOUR COMMISSION—INQUIRY AS TO WHETHER RCMP SHOWED SOLICITOR GENERAL REPORTS OF INVESTIGATION

Mr. J. P. Nowlan (Annapolis Valley): I have a supplementary question for the Solicitor General. In view of the answers of the Solicitor General given on December 4 when certain questions were asked about the SIU and about reports of the RCMP on certain matters relating to the Minister of Labour, as recorded at page 1939 of *Hansard*, when the Solicitor General said that at that time he was shown a transcript of the RCMP reports and it was his duty, as he felt—and quite properly so, I think—to discuss this with the Prime Minister, would he inform us whether on this occasion he had been shown any reports on the investigation of the RCMP involving any minister of the Crown and whether he had discussed those reports with the Prime Minister?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, It is difficult for me to remember what I said then. They did not show me a transcript of the trial at that time. They showed me an interim report on the SIU investigation and I conveyed the contents of that report to the Prime Minister. In this particular case, after the revelation on Friday that the solicitor general for Ontario had resigned, I checked with the RCMP and asked them if there was something that should be brought to my attention on this matter, and they said there was nothing of great importance to be brought to my attention. Yesterday, I called them again and they read to me certain parts of the transcript which had been discussed around the parliament buildings in recent days. I asked them if there were any other parts they should bring to my attention as well. They may bring further parts to my attention, but so far they have not.

* * *

CONFLICT OF INTEREST

DATE OF PUBLICATION OF GUIDELINES ON GIFTS TO PRIME MINISTER, CABINET MINISTERS AND THEIR WIVES

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to direct a question to the Prime Minister—

Some hon. Members: Oh, oh!

Mr. Cossitt: —arising from the statement made earlier in January by a member of his staff that conflict of interest guidelines with regard to gifts received by him or by members of the cabinet or by their wives would be issued in all likelihood before he left on his trip to Europe this week. Will the Prime Minister tell the House whether these conflict of interest guidelines will be presented to this House before his departure and, if not, can he say when they will be?

[Mr. Nowlan.]

Right. Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, those guidelines have not been completed yet, and they will not be presented to the House before my trip to Europe. Perhaps I should inform the hon. member that, in the likely event that I receive some gifts from heads of government while I am abroad, I intend to follow the international custom and to bring them back without paying duty on them. I will indicate also that with regard to the gifts that I am taking abroad to offer to heads of government whom I am visiting, I do not intend to declare them at the border of the country I am entering and I do not intend to pay duty on them either.

Some hon. Members: Hear, hear!

Mr. Trudeau: I repeat that I am following what I believe is not only an international custom but one which has been followed by heads of government in previous times. Of course, I am willing to comply if the House gives me a direct order.

Mr. Cossitt: I feel that the Prime Minister is avoiding the issue. He is talking about customs duties. In my question I never referred to customs duties.

I should like to direct a supplementary question to the Prime Minister. Will the guidelines, when issued, specifically cover the possible or alleged gift of a swimming pool, which is still kept a mystery from everyone?

* * *

PRIME MINISTER'S OFFICE

INQUIRY AS TO NECESSITY OF PRIME MINISTER'S TRIP TO EUROPE

Mr. Steven E. Paproski (Edmonton Centre): I should like to direct my question to the right hon. Prime Minister. Is it really necessary for the Prime Minister at this time to take this extended excursion to Europe and, if it is, would he leave this chamber with his blueprint to fight inflation and to deal with the civil service strikes so that the House can consider his long or short-range plans during his absence?

Right Hon. P. E. Trudeau (Prime Minister): I have been urged by members of the hon. member's party to travel to Europe and to—

Some hon. Members: Stay there.

Mr. Trudeau: —and to visit some countries. I have been so urged also in a Senate report to which hon. members opposite have referred and to which they enjoined me to pay heed. I feel that this trip is important at this time. But here again, if the opposition has any policy on this, I would be interested to hear it from the Leader of the Opposition, not from a backbench member opposite.

Some hon. Members: Oh, oh!

Hon. Robert L. Stanfield (Leader of the Opposition): Since I received this invitation from the Prime Minister, I will simply express encouragement—he has been paying some attention to some suggestions from the opposition—and express fervent hope that he pay a little attention to

some of the serious suggestions we have made with regard to some of the serious domestic problems.

* * *

PRIVILEGE

MR. NOWLAN—SUGGESTED REFERENCE OF PROCEDURES DURING ROUTINE PROCEEDINGS TO STANDING COMMITTEE

Mr. Speaker: The hon. member previously referred to a question of privilege which he has. He has the floor now.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I rise, as I indicated earlier, to raise a question of privilege resulting from the alleged question of privilege raised by the Parliamentary Secretary to the President of the Privy Council (Mr. Reid). I will be very brief. I am glad I waited until after the question period to raise my question of privilege which is basically directed at the rights of hon. members.

My question of privilege relates to the incredible performance, outlining in graphic form the distorted parliamentary priorities of the government, in name, but which has yet to show any purpose, direction or conviction about the basic problems of this land. If ever there was a parliamentary example of the ship of state wallowing in a sea of indecision, charting a course on a false compass and without a captain at the helm, yesterday's alleged question of privilege by the parliamentary secretary to the government House leader was it. In relation to the other pressing problems facing this country, it makes one wonder whether in fact there is a government House leader; or is he just a loss leader, discharging his duty to his philosopher king captain to make this institution completely inane and irrelevant so that members can really be nobodies and the machinery and machinations of the Prime Minister's office can have full sway?

What other explanation is there for making the floor of the House of Commons the washroom of the nation as the government, perverting privilege, attempts to muzzle one of its own members by washing its political linen in public. Surely, Your Honour, if permission of the Parliamentary Secretary to the President of the Privy Council is required before an hon. member is allowed to appear before the Senate, then an invidious precedent will be established. Not only will all forms of future privilege be relevant, but we may even have to ask his blessing for the absolutions of the day—especially if it is in a Senate washroom.

As for the hon. member for Winnipeg North Centre indulging in this parliamentary hoax to generate more wind in his assault on a sterile Senate, the best that can be said is that rarely has an individual been so blinded by the amber light at the crossroads of parliamentary rules that he fails to see that red and green lights control the flow of traffic. His time, as with other House leaders, might more usefully have been spent in raising a valid question of privilege affecting this House in the present paradox of this Parliament of Canada having television in one of its parts even though the whole has made no decision on the matter, notwithstanding the fact that reform of the rules and television coverage were high priority items in the

Speech from the Throne many lost moons ago. Of course, the fact that the Standing Committee on Procedure and Organization has not even met in a substantive way to discuss the matter is not, I suspect, a matter of parliamentary privilege but just another example of the ineptitude of this government in the management of its own affairs, let alone meeting the responsibility of the mandate it received albeit by masquerade and misrepresentation.

● (1510)

The only privilege at issue yesterday was the insult to hon. members who convened to discharge public business and were exposed to a sideshow over which they had no control and the people of Canada had no concern. Let us get on with parliamentary business, and not the who, when, where and how this government lost its grit.

Accordingly, Mr. Speaker, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

> That the matter of the question period and the priority and placement of other routine proceedings be referred forthwith to the Standing Committee on Procedure and Organization with instructions to report back before Easter so that the House can maintain and develop relevant rules for this incompetent government.

Mr. Speaker: Order, please. The hon. member earlier gave the Chair notice of his intention to move this motion pursuant to a question of privilege. I am sure the hon. member will realize that the question is very much one for debate and very much a topical subject relating to the priorities which ought to be given to daily routine business and the question period. The fact that the matter was so quickly referred, after the hon. member's intervention last week, to the standing committee will enable that committee, with a very wide reference—in effect, a blanket reference on the procedures of the House—to begin work at once, which would include the recommendation contained in the motion.

I say that not because of the redundancy and repetitiveness involved, but the fact is that there is machinery already at work which through the regular channels is empowered to do what the hon. member has in mind. For that reason, since at the present time routine proceedings take place before the question period and this is sometimes an inconvenience, this matter is certainly worthy of examination. But the fact is that it is in conformity with the rules and as long as those rules are being enforced I cannot regard it as a question of privilege.

I do, of course, accept it in the spirit in which it is intended, that is, urging that committee to see if there is consensus to experiment with other ways of ordering our priorities. I am sure that all of us are comforted by the blanket order of reference which gives the committee authority to start that work at once.

[*Translation*]

Mr. Trudel: Mr. Speaker, I rise on a point of order. This morning, there was an electrical failure at the Vanguard building during parliamentary proceedings. These proceedings were suspended because of that trouble. We are told that this afternoon and tonight the committees of the House will not be sitting. I want to ask the Chair if it is possible, at this stage, to know when the suspended proceedings of the committees will resume.

[*English*]

Mr. Speaker: Order, please. The hon. member makes reference to the mechanical and electrical failure of the facilities used by the standing committees in the Vanguard Building. I hope that whatever inconvenience has been caused in the scheduling of meetings will be rectified by such immediate repairs as are necessary and I certainly hope I can inform the hon. member later in the day about that.

Orders of the day.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

The House resumed, from Monday, February 24, consideration in committee of Bill C-49, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. Penner in the chair.

The Deputy Chairman: When the committee rose last evening, clause 4 as amended was under consideration, the amendment having been proposed by the hon. member for Qu'Appelle-Moose Mountain.

On clause 4.

Mr. Andre: When we adjourned the debate last night we were discussing the amendment by the hon. member for Qu'Appelle-Moose Mountain to clause 4 of Bill C-49. I had commended this amendment to the minister for his serious consideration and requested that he pay special attention to the three speeches which preceded mine last evening. In his speech the hon. member for Qu'Appelle-Moose Mountain proposed his amendment. Also in the course of his remarks the hon. member identified far superior fiscal policies and legislative actions which could be followed to achieve the goal of reasonable revenue-sharing between governments and maintain a healthy and viable resource sector in our economy.

The hon. member for Don Valley indicated that it is absolutely unnecessary for the government to proceed with the kind of measures included in clause 4. The hon. member for Peace River indicated that indeed it is very dangerous to the economy of the country, to confederation and to national unity for the government to continue to pursue the line of reasoning it is now following.

I would like very briefly to review the history of the development of the energy confrontation which currently exists, not from the point of view of rubbing salt into old wounds but from the point of view of attempting to identify the lessons which are to be learned. The day this issue began to grow into national proportions can be explicitly identified as September 4, 1973, when the cabinet, after a Labour Day weekend meeting, felt that it must introduce a measure to demonstrate, primarily to the then leader of the New Democratic Party, that it was fighting inflation and it was going to do something to impose a freeze on the price of domestic crude oil produced in western Canada.

This, I might add, came after two other moves by the government that summer to control inflation: price controls on wheat and beef. Wheat, beef and oil were the three commodities on which the government attempted to impose price controls, the three major commodities of importance to western Canada. The reason is quite obvious: this allowed the government the maximum political benefit and the minimum political damage. The fact that this ploy worked is the major reason behind the suggestion by the hon. member for Peace River last evening that it is time we had a renegotiation of confederation. The fact that this so-called national party could get away with alienating that part of the country in the manner it did is evidence that it is time we looked into the whole question of renegotiating confederation, because if some attention is not paid to that matter in the near future, I and many other sincere, concerned Canadians worry about the direction in which this confederation might go.

However, as a result of that unilateral move by the government on that day the producing provinces reacted. This being the third such move, they felt they had to protect their economic interests and they reacted with legislation to protect those interests. The federal government reacted to that legislation; the provincial governments reacted again; the federal government reacted again, and the escalation grew and grew and became very heated until the agreement of March 27 at 24 Sussex Drive when it appeared as if, finally, a solution had been reached. Instead, the government showed that it had no intention of acting in good faith. It acted in a manner which my leader has described as deceitful—this was an accurate description—in introducing the budget of May 6 which merely increased the tensions within the country.

● (1520)

What is the situation in the oil industry? There is now substantial evidence that Canada will be a net importer of oil in the near future. There will be shortages of oil, yet there is no reason why this should be so since Canada is a petrolific country. The net result will be a slowing down of development and an increasing rate of unemployment. These losses to the economy cannot be immediately recouped.

The Minister of Energy, Mines and Resources enjoys taking occasional potshots, along with the NDP, at the multinational companies. In fact, though, the companies most affected by the government's tax policies are the Canadian independent companies which have been doing most of the drilling in the west. Much concern has been expressed by the Canadian government in the past about the need to encourage and preserve Canadian ownership, but no such concern has been shown when it comes to adopting policies which hurt the small portion of the industry where Canadian content is most in evidence. The need to rely on imports of foreign oil in the future will probably result in balance of payments problems, a serious state of affairs. I notice, Mr. Chairman, that you about to rise. I shall have to seek the floor at a later date to complete my remarks.

Mr. Roche: Mr. Chairman, yesterday we read that the Minister of Finance is shortly going to the Middle East in his capacity as chairman of the interim committee of the

International Monetary Fund to talk about oil, oil production and the reinvestment of profits by oil producing nations. This gives me a point of entry at which to begin certain comments I wish to make. At time like this when I look around the committee—the chamber is not well filled—I feel like suggesting to the minister that he and I should repair to our old Sandy Hill haunts since we might be able to get as much accomplished in the course of a private discussion. However, since this must be done in public I intend to advance a serious argument for the minister's consideration.

I have already addressed myself to the energy situation and tried to present arguments based, not on an "Alberta first" but on a "Canada first" position. I intend to ask the minister how he reconciles his position as Minister of Finance, putting through a bill which will be so injurious to the resource producing provinces, with the other position he holds as chairman of the interim committee of the International Monetary Fund? The situation we face with respect to the use and the development of the resources of Canada was put very plainly by Mr. Maurice Strong, formerly in charge of the Canadian International Agency, in his capacity as head of the United Nations environment program. He said:

> To put it in its starkest terms, Canadians must face the prospect of having to defend before the world their continued right to exclusive sovereignty over a disproportionate share of the world's territory and its resources . . .
>
> What does this mean for Canada? What should we do about it? In my view it means that Canada has a special responsibility for the way in which it manages the disproportionate share of the world's territory, its resources and the natural environment that it commands.
>
> It must regard itself not just as a sovereign owner and possessor of these advantages but in the larger sense as their trustee. It does not mean that Canadians should be denied the benefits of these resources but they must be prepared to share these benefits. "Canada first" cannot mean "Canada only".

The great question which all of us must resolve as we try to steer our way through a world in scientific, technical and cultural explosion is how to bring together the two great themes of modern times, that is, growth, the development of resources for a suffering humanity, along with conservation. These two things must be developed into a national policy. The minister himself in his budget speech of November 18 when he addressed himself to the subject of Canada working toward international co-operation—the concept he personifies as chairman of the IMF committee—had this to say:

> Our ability to co-operate will be severely tested, but we see nothing to be gained from policies of confrontation . . .
>
> I am deeply troubled by the potential disaster facing many of the poor countries of the world. A number of them can no longer pay for food, fertilizer, fuel and many other essentials. All countries, including Canada, must review their foreign aid programs in the light of these tragic developments.

I wish to recall to the minister the words he himself used, that there is nothing to be gained from policies of confrontation. That sentence was applied to the field of international relationships: surely, though, he would not deny its applicability to the domestic scene. Nevertheless, I suggest the government is determined to put through a bill taxing corporations in a way which disallows their royalty payments to the provinces for income tax purposes, and that this will place us in a situation in which the regional strength of the country will be greatly hurt, as a result of which our national strength will be impaired, thus leaving Canada in a weakened position when it comes to playing the role we should be playing internationally.

Last week there was a debate on CIDA. I tried to point out that foreign aid as such was not in question; what was important was a restructuring of the world economy along lines which allowed the developing nations to plug themselves in to interprovincial mechanisms of trade, financing and distribution. I take it the hon. gentleman is going to the Middle East to try to put some pressure on the resource producing states to accept their responsibility to help work out satisfactory solutions to present difficulties. Does the minister not think that he is undermining this country's position internationally by perpetuating a policy, as reflected in legislation, which will hurt the resource producing provinces of this country and weaken their own development?

● (1530)

What about Alberta? We know that 85 per cent of Canada's oil is produced in Alberta. I think Canada should be in a stronger position to meet international commitments for the sake of a more just world order. Naturally, I speak as an Albertan who recognizes that much of the resource strength of this country, strength which depends on the development of oil and gas, is vested in my province. I think that a bill which will diminish Alberta's capacity to produce oil is a bill which will weaken Canada and Canada's international position. I ask the minister to take these facts into account. As he suggested in his November 18 budget speech, international confrontation will get us nowhere. I suggest that confrontation within our own country will, likewise, get us nowhere. This argument is endless.

What does the amendment proposed by the hon. member for Qu'Appelle-Moose Mountain seek to do? It asks the government not to proclaim a certain part of the bill until after the first ministers' conference. One hopes that that conference will be held in a co-operative and flexible spirit and that pricing as well as the constitutionality of the issue we are dealing with will be discussed. One hopes that debate on the constitutional issue will not have been foreclosed, if I may use that word, by action by the Parliament of Canada resulting in provincial royalties no longer being allowed as tax deductions.

I am arguing that we need more time for Ottawa and the provinces to come to an agreement in a spirit of compromise. Already certain things have been done. The November 18 budget is significantly different in certain respects from the May 6 budget in the area of resource exploitation. The Alberta government has introduced a drawback with respect to provincial royalties. Such moves on both sides reflect a spirit of flexibility, a spirit in which both sides are trying to reach out and compromise. The Syncrude partnership is another illustration of my argument. The deal which has been worked out will be in the best interests not of the people of Alberta alone but the people of all of Canada. Again, I say by so doing our governments are working in a manner which will enable Canada to meet international responsibilities.

My argument for delaying the implementation of certain parts of this bill until after the first ministers have met, which is what the hon. member for Qu'Appelle-Moose Mountain suggested, is reinforced by what happened recently at the two hour meeting in Calgary when the Prime Minister met Premier Lougheed. I want to recap briefly what took place. The Prime Minister implied at that meeting that crude oil price increases are viewed by the federal government as another factor which will have its effect on conservation of energy supplies. On the matter of incentives to the oil industry, the Prime Minister stood firm on taxation policies now in effect. The federal government, he suggested, does not feel that changes in this policy are required and therefore no change in the deductibility of royalty payments to provinces in computing federal tax would be contemplated. The federal government's position, of course, is reflected in the bill before the committee.

For his part, Mr. Lougheed noted that the discussions had centred on energy, transportation, agriculture and petrochemicals. The premier said, again, that Alberta would not move unilaterally on crude oil price adjustments before the first ministers' conference in April. I ask the committee to note that. He suggested that Alberta maintains the opinion that crude oil prices should move closer to world prices, but just how great the first move will be was not stated. The premier expressed the viewpoint that federal government encouragement for the industry was certainly required. Another concern expressed by the premier dealt with Alberta's potential petrochemical industry. Petrosar, in the premier's opinion, could jeopardize development of a viable petrochemical industry in Alberta.

Mr. Cullen: That is not correct.

Mr. Roche: I bring that opinion to the attention of the minister's colleague and seatmate. What is the significance of the Prime Minister's meeting with Premier Lougheed in Calgary. The significance, I suggest is this: these two leaders have obvious differences of opinion on energy matters relating both to crude oil prices and federal-provincial tax jurisdiction; that is, they have obvious differences on the two central questions, the constitutionality of the federal encroachment on provincial royalties, and prices. As well, the Prime Minister and the Premier expressed a difference of opinion on the degree of progress made thus far in resolving these matters.

Would it not be better for the Minister of Finance to tell the committee that the government is willing not to implement certain parts of this bill so that there can be discussion without prejudice at the first ministers' conference, discussion in a spirit of co-operative partnership and co-operative federalism in order to resolve the difficulties which involve not only the premiers of two provinces but all the people of the country? These words are not meant to be rhetoric. In preparing myself for this debate I studied the report of the Joint Committee of the Senate and the House of Commons on the Constitution, presented in June, 1972. The thrust of that report is this: our constitution needs to be updated and modernized. I will not argue about how that can be done; the minister knows the arguments as well as I do. The thrust of these arguments is that we must not only take into account existing relationships between Ottawa and the provinces; we must also remember the conditions under which the constitution was drawn. By upholding the position which says that the central government is the dominant government vis-à-vis the provinces and that this is the modern reality, the minister is not heeding the thinking which went into the making of the joint committee's report on the constitution.

The speech made by the hon. member for Qu'Appelle-Moose Mountain, referred to yesterday by the hon. member for Don Valley when he spoke about what he called the "Hamilton proposal", or the velocity of capital concept, was one of the most exciting speeches I have ever heard in parliament. The hon. member for Qu'Appelle-Moose Mountain introduced the velocity of capital idea on January 30 and it is an idea of which private industry and governments should take cognizance. I do not say that the minister's budget speech was not exciting, but the speech of the hon. member for Qu'Appelle-Moose Mountain was very exciting. Yet the minister came to the committee yesterday and said, in reply to the hon. member, that he had not proposed the idea to the provincial governments and had not discussed it with private industry but that, yes, he recognized its importance. Perhaps too much has been happening. What I am arguing is that: it is wrong for the minister to take unilateral action and ignore the ideas brought forward by the hon. member for Qu'Appelle-Moose Mountain.

● (1540)

Yesterday the hon. member for Qu'Appelle-Moose Mountain reflected on his ideas for dealing with capital-intensive industry in order to give more money to the owners of the resources, the provinces, and more money to the federal government by sharing the profits of the companies, the equity. At the same time, there will be enough money going to the companies to enable them to continue. Those are some of the large issues at stake now as we consider whether we should move ahead with the implementation of clauses 4 and 7 of Bill C-49.

I want to conclude by repeating for the minister, before he goes abroad, a very interesting story which appeared in the International Economic Survey of the New York *Times* for January 26. The title is, "The world, as wealth shifts, is shaken by uncertainty". We know there is great uncertainty as to which way we should go to repair some of the global problems. The story concludes with a quotation by John E. Sawyer, an economic historian who has taught, if you please, at both Harvard and Yale. He said:

> No society can prosper on a divergent course with reality. There can be no escaping the accelerating pace of change, the fact of interdependency or the inevitability that public processes will govern crucial sectors of activity from now on.

I bet the minister will say "amen" to that quotation. Here is the last sentence:

> The challenge will be to keep these processes honest, enlightened and effective.

Does the minister really think that clauses 4 and 7 of Bill C-49 are enlightened with respect to the world conditions we face today? Are they really effective in stimulating resource development in Canada, which is the key to a strengthened Canadian economy, and diversified regional growth so that all parts of this country can plug into

making our country strong? I ask this seriously. Will the minister take a moment to answer my central, dominant question? How can he reconcile his position on clauses 4 and 7 of Bill C-49 with his international responsibilities, going into the IMF, helping to restructure the world economy with justice?

Mr. Nystrom: This afternoon, Mr. Chairman, I want to make one last appeal to the minister.

An hon. Member: The last one?

Some hon. Members: Hear, hear!

Mr. Nystrom: The Quebec Liberal backbenchers should be very interested in this bill. My purpose in rising is solely to address myself to them and try to persuade them to take a second look at the bill before us. We are talking about one very fundamental issue, namely, how do you divide the resources of this country between the federal government and the provincial governments? We have had a whole history of fighting on clause 4 whereby the government will disallow the deducting of royalties.

An hon. Member: Hear, hear!

Mr. Nystrom: We have had applause from a British Columbia member and no applause from the Quebec members. I suspect that if the Quebec Liberals were to check with Premier Bourassa and his cabinet, they would find that almost every one of them is opposed to this clause in the bill. They would also find that every premier in this country is opposed to the clause which disallows the deductibility of royalties. Royalties are a bit different from other taxes in the country. Under our constitution the provinces have a right to impose royalties. This is not only with regard to gas and oil; it affects all minerals that we produce such as nickel, gold and potash. Therefore, every province in this country is affected. Disallowing the deducting of royalties as a legitimate expense is like telling a farmer in Quebec or Saskatchewan that he cannot claim municipal taxes as a legitimate expense, or telling someone who rents land from a landlord that he cannot claim the payments made as a legitimate expense.

What will happen if the federal government undercuts the provinces with regard to resource revenue? How much room will there be left for the provinces to develop? There have been a lot of moves in the province of Quebec, in particular, for economic, cultural and social nationalism and, indeed, independence of Quebec as a separate entity and a separate province. If the provincial governments are denied further revenues, the federal government will be playing into that sentiment of alienation in one part of this country against another. If hon. members do not vote for this amendment, they will be making René Levesque very happy. He will say that this is another example of the heavy-handedness of Ottawa. All the premiers and all the provinces are opposed to this particular clause.

The Minister of Finance and the Prime Minister will not even delay this clause for two months until after the first ministers have had a chance to meet. This is a very reasonable amendment. It says that this House will pass the clauses—and I do not agree with them all—if their proclamation is delayed until the first ministers meet. That would not be a great sacrifice for this government to make. If the provinces are all opposed, why cannot we wait another two months before putting these clauses into law? They will pass the House of Commons and the Prime Minister and the Minister of Finance would have the extra clout at the conference in early April. It would be a sign, signal or symbol of good faith if they were not proclaimed until after the conference. Is that asking too much?

Why is it that the Prime Minister and the Minister of Finance are right and all the premiers are wrong? Is that a demonstration of the divine right of ruling this country which seems to have affected the minds of so many Liberals? I know as a fact that if the Liberals were allowed to stand up in this House and say and do what they believe, many of them would vote for the amendment before us. I speak to many Liberals from Quebec, as well as the hon. member for Nipissing who represents part of northern Ontario. I know they are very concerned about development in their areas. There are also members from the prairies and the maritimes who want more development in their regions. However, we cannot have that development without a spirit of co-operation, consensus and working together as a team rather than pitting one region against another.

I have always believed we should have a strong central government. However, if we are to have that it must be with the co-operation of all regions and all provinces. In order to have a strong central government, there must be a certain amount of decentralization with regard to decision-making on issues important to the various provinces and regions. That is what we need if we are to keep Canada together. For too long there has been development around the golden horseshoe, particularly the Toronto area, to the detriment of other regions. A bill such as the one before us will only escalate that type of development instead of narrowing regional disparity.

Yesterday information was provided to me and my colleagues in caucus about recent increase in freight rates. The premier of my province and the premiers of other provinces said they would be willing to give a little more in terms of oil and gas revenues if they could get a little more in terms of some of the things they want, settlement of the grievances they have in confederation.

● (1550)

One thing that grieve us in western Canada is a freight rates system that discriminates against people on the prairies. The same is true for the people in northern Ontario, parts of Quebec and the Atlantic provinces. The people of Saskatchewan are providing low-cost oil to people in other parts of the country, generating tremendous revenue for the federal treasury. What do we get in return, Mr. Chairman? I have here the latest figures showing the increase in freight rates and I should like to give the committee two examples of how the freight rate system discriminates against the province of Saskatchewan.

If you ship 610 pounds of meat from Prince Albert, Saskatchewan, to Hudson Bay—not a long distance, only some 200 miles—the cost under the old rates a few days ago would have been $21.80, or $3.57 per hundredweight. A couple of days ago the freight rates went up to $5.40 per hundredweight, representing an increase of 52 per cent.

The cost of shipping 40 cartons of plants from Winnipeg to the city of Regina under the old rate was $33.55 per thousand pounds; under the new rate it will cost $65.80, an increase of 99 per cent.

Mr. Anderson: Mr. Chairman, I rise on a point of order. I have been very patient in listening to this debate for some time, but I cannot for the life of me see how freight rates enter into Bill C-49. I should like to have this debate continue on Bill C-49; I am sure we will be able to discuss freight rates at some other time.

Mr. Nystrom: Mr. Chairman, I will tell you why freight rates are very relevant. The province of Saskatchewan produces 75 million to 80 million barrels of oil per year. We have only about ten years' supply of oil left in the province. In good faith the province of Saskatchewan agreed to sell oil to Canadians at a lower price and to export oil to the United States at a lower price, thus allowing the federal government to collect an export tax. As a result, the people of Saskatchewan are losing $5.20 per barrel of oil. They sell their oil at $5.20 below the international price. If that is multiplied by 75 million barrels, it means $400 million per year is being lost by the province of Saskatchewan which would not be lost if the oil was sold at world prices or the export tax was channelled back to the province.

The premier and the people of Saskatchewan have agreed to live with this situation. They are making a substantial contribution to confederation in order to keep down the price of oil and to preserve national unity. In return for this, we expect a trade-off, a *quid pro quo*. We have grievances against the present transportation structure in this country, against the present freight rate structure and the lack of an industrial strategy. If we had action on those fronts we would be much more willing to allow this clause to pass, but we see no evidence of action. Freight rates have increased over the last two days on commodities that affect the people in the small towns, villages, cities and farms of Saskatchewan. In some cases the freight rates have increased 52 per cent, in other cases 99 per cent or even more.

At the same time, the committee is expecting me to vote approval of a clause that is going to take away more money from the people I represent, and I cannot acquiesce to that. If the Minister of Transport were to tell the House that he will remove the anomalies in our freight rate and transportation systems so as to give the people of Saskatchewan a chance to process food and develop the resources of the province, then I would be willing to compromise and accommodate the government when it comes to gas and oil. Gas and oil don't grow on trees and in ten years' time there will be none left. Then where will we be in the province of Saskatchewan? The federal government and consumers of Canada have taken half our money and we have nothing to show for it.

This clause is vitally important to the province of Saskatchewan and to many other areas of the country which at the present time are underdeveloped. Members of all parties should pay attention to this fact and should ask the Minister of Finance to be reasonable and delay proclamation of these clauses until after the first ministers' meeting. That is not asking him to do very much. He still has

the club, the sanction and seal of the House that the legislation will become law whenever he or the cabinet decide to proclaim it. But this would be a gesture of good will on his part and the whole country would be the better for it, including the Minister of Finance and the government he happens to represent. This country must be built on co-operation and honest intentions. If the minister took this action it would go a long way toward improving the spirit of confederation.

There are many other items in the bill that interest me as a private member. The hon. member for Nanaimo-Cowichan-The Islands and the hon. member for Sault Ste. Marie yesterday raised several questions on Syncrude. We all know the Syncrude project has been exempted from many tax provisions made in the last few years. But we want the Minister of Finance to answer these questions as fully as he can and to tell us how much of a concession in terms of taxes will be given to the Syncrude consortium. This is a vital issue at this time. I think the members of the Liberal party sitting opposite should be very concerned at the great sell-out of the oil sands in Alberta to a private concern. This project is being financed by public risk money without any guarantee of profit. Canadians are going to pay the world price for this oil. Costs are skyrocketing and we have little information and very few facts to estimate what the project is going to cost the Canadian people.

I resume my seat after appealing to the Minister of Finance, and particularly to the Liberal backbenchers to show a bit of spunk, to show that they are not puppets on a string who are sitting here in case there is a vote. I ask them to show courage and to tell their minister that the opposition parties on this side of the House are making a reasonable suggestion, namely, that we will pass the bill but delay proclamation of the clauses pertaining to royalties, mineral resources and gas and oil until after the first ministers meeting. I assure hon. members that their own provincial politicians would support them. They do not have very many in Alberta, but I see the hon. member from Battleford-Kindersley is here, and he is from Saskatchewan. I ask them to vote with the opposition and to support our proposition. The Premier of Saskatchewan has been willing to accommodate the federal government, so I would ask them to compromise.

Most of us in our party would like the amendment to go even further. We would like to see these clauses delayed until after the first ministers' meeting or even brought back to the House in a separate bill, but in the spirit of national unity, co-operation and good will we are willing to compromise. We will go halfway and I hope my friends on the other side of the committee will meet us halfway. If they do, it will be better for all of us and there will be political kudos for no one but the people of Canada.

Mr. Benjamin: Mr. Chairman, I want to complete the remarks that I started the other day when these clauses were allowed to stand. I want to refer to one sentence in the minister's speech on second reading of the bill in which he said that the issue is: what constitutes a fair sharing of revenue from petroleum and mining as between the industries, the provinces and the federal government? I do not disagree with that; that is certainly one of the issues, if not the issue. I have yet to hear a case made by

the minister or anybody else on the government side to justify or support the suggestion that the federal government is not getting a fair share. There may be some argument as to what constitutes a fair share, but that has to be sorted out between the federal government and the provinces. The federal government is now getting, and I submit will continue to get, a fair share of these revenues.

● (1600)

Let me refer to some figures I have regarding the federal government's share, on a per barrel basis, of crude oil from Saskatchewan. These figures indicate that the federal government is doing fine in respect of getting a fair share. Medium crude from southeastern Saskatchewan that is exported to the United States, sells at $10.62 a barrel. The federal government's share of that in royalties and federal corporation tax amounts to 58.1 per cent. That is substantially over half. Surely not even the minister would try to tell me that is not a reasonable or a fair share. In fact, I have yet to hear what he would consider to be a fair share in light of figures like that. Since half the crude oil produced in Saskatchewan goes to the United States, that is a pretty significant share, I would submit. Out of the $10.62, the province of Saskatchewan gets 31 per cent in royalties and income tax and the industry gets 5.1 per cent.

In addition, the Saskatchewan government has made available for some period of time an additional 30 cents per barrel to the industry, provided it is used for further exploration and development. Just a few days ago the government improved that position even more by increasing the figure to 50 cents a barrel. That money comes out of Saskatchewan's share of these oil revenues. That gives the producer additional funds. Surely the basic issue is a fair sharing of that revenue between those three groups, the federal government, the province and the industry. Surely that is more than fair.

In addition, the government of Saskatchewan has lived up to its side of the agreement or bargain. As others have said, it agreed to forgo in the neighbourhood of $400 million in revenue that could have been the province's in respect of oil sold at world prices. The government of Saskatchewan was willing to forgo that as a contribution toward equity for all Canadians and as a contribution toward confederation and national unity. That was evidence for the federal government that the province of Saskatchewan cares about a strong confederation and a united country. I suggest that is a good contribution by the people of Saskatchewan from the resources that are theirs under the constitution. I do not want to brag overly about the people of Saskatchewan, but they are the best in Canada and this is a very significant contribution.

The people of Alberta were also willing to forgo in the order of three or four times that amount of potential revenue for the sake of confederation, accommodation and mutual agreement. Saskatchewan and Alberta have lived up to the bargain. These additional revenues which Saskatchewan obtained from royalties were set aside in a capital fund to be used for exploration and development of resources.

I just do not understand what the minister is complaining about or why he found it necessary to put this kind of measure in the budget. I could understand it if the government of Saskatchewan took that money into general revenue and started to spend it on roads, health care or even for political purposes: I could understand the minister feeling that some measure such as this was necessary because Saskatchewan would then have broken its part of the bargain. It did not do that, but lived up to its bargain to the letter. To get kicked in the face by these clauses in the budget, I submit, is no contribution on the part of the federal government toward confederation, national unity or, for that matter, toward future agreements.

The industry has been claiming it has not been getting enough of the revenue, but there is nothing new about that. It is quite true that until 1958 the industry in Saskatchewan put more into the industry than it took out, but since 1958 there have been increasing net cash outflows from Saskatchewan each year. In 1972 the industry had a net cash outflow of $96.5 million, and in 1973 a net cash outflow of $126.8 million.

From December, 1972, to December, 1973, the price of crude increased by 90 cents a barrel, or 35 per cent, and almost all of that increase went to the producers. Because of events in the Arab countries it was apparent that the price of crude was going to increase at a dramatic rate and that prospect gave rise to legislation in Saskatchewan. It also gave rise to the export tax levied by the federal government, 40 cents a barrel to begin with. I will not go over the whole history of this—I have pages of it here in chronological order—but I suggest if one looked at the whole picture one would not understand why the minister is so excited about this and feels it necessary to have this kind of clause in the income tax bill.

At the end of last March the provincial premiers left a first ministers' conference believing that the taxing agreement in respect of oil would be observed until the end of June, 1974. Certainly no one spoke about tax changes at that conference. The Premier of Saskatchewan wrote to the Prime Minister asking specifically if the federal government intended to disallow the royalties paid to the provinces by the oil producers as a deductible expense when calculating income tax. The Prime Minister did not answer the question at the conference and at no time has he answered it in writing. No wonder all of us in Saskatchewan, at least, were shocked when the budget proposals of May indeed disallowed royalty payments to the provinces as deductible expenses. The people in the industry were shocked. This move came without warning.

We also find it passing strange that the minister is not consistent in how the law will be applied. I still think he is a fair man, although at times unreasonable, but I cannot understand why he does not apply the law in the same way in all cases. If this is such a good idea and is so necessary, then why are royalties paid to private owners such as Canadian Pacific Investments and Hudson's Bay still allowed as deductible expenses when calculating income tax, yet not allowed when paid to the provinces?

● (1610)

Canadian Pacific Investments hold acres of mineral rights in Saskatchewan and lease some of those rights to PanCanadian Oils. PanCanadian Oils can deduct the royalties they pay Canadian Pacific Investments as an

expense when computing their income tax. PanCanadian Oils is a subsidiary of Canadian Pacific Investments, which is a subsidiary of CPR. The CPR can benefit from royalties being deducted as a tax and a subsidiary of CPR can also do so, but not the people of Saskatchewan or the people of Alberta. Surely this is inherently unfair. Surely it is an injustice of the first order.

My first choice, as it is of my colleagues, is that these clauses be left out of the bill now, reintroduced in a separate bill and dealt with as a separate matter after the first ministers' conference. If no agreement can be reached and the government still feels it has to use this kind of measure to get what it thinks is a fair share of the resource revenue, that would be the best way to go about it.

My second choice is to support the amendment moved by the hon. member for Qu'Appelle-Moose Mountain. I do not think it is an unreasonable request. So far as I am concerned, it is a minimal request. I hope the hon. member for Battleford-Kindersley will agree that it is not all that horrendous a problem to delay the proclamation of these clauses for a couple of months, if for no other reason than to give all the first ministers an opportunity to meet, without rancour, in an effort to reach mutual agreement and understanding, so that the government will not do something which I predict they will regret many years hence and which parliament will regret whatever party happens to be in power.

The legislation which we are considering strikes at a fundamental part of our constitution. It strikes at something that all provinces have held dear since confederation. The opportunity for additional time that this parliament must provide for the federal and provincial governments to reach agreement is one that I hope we will not pass up. I hope that the Minister of Finance will rise in his place and say, "O.K., fellows. I am an agreeable fellow". The provinces have made some concessions. They brought in some measures subsequent to last May 8 to indicate that they are willing to reach an agreement which will benefit the whole country as well as individual parts of it. There have been numerous examples of this, particularly from the premiers of Alberta and Saskatchewan.

Surely it is time the federal government responded, if only in this small way, and provided the additional time and opportunity necessary for agreement and understanding to be reached. There may even be time to throw the equalization formula back on the table. The Minister of Finance could say, "Well, fellows; how about doing some adjustment here?" Perhaps he has already done that; I don't know. But surely the couple of months' time that is being asked for is not an unreasonable request. I plead with hon. members from all parts of the country and in all parties to take into account what has been said by myself, by many members of the House and by several provincial governments and I urge them to pass this amendment. I say to my hon. friends on the government side that it will do no irreparable harm to the budget of the Minister of Finance; it will just delay a few parts of it for a couple of months. Since no harm will be done to the budget as a whole or to the government that they support, I hope that hon. members on all sides will support the amendment and bring about the delay for which we and the provinces ask.

[Mr. Benjamin.]

Mr. Brisco: Mr. Chairman, in speaking to the amendment proposed to clauses 4 and 7 of Bill C-49 by the hon. member for Qu'Appelle-Moose Mountain, first I would like to say that I recognize the predicament of the provinces and their responsibility for the problem that they generated, particularly my own province. I say that with candour and dismay. But there are limitations to the control which must be exercised in this matter, limitations which are of vital concern to the national interest. After all, the provinces all look to the federal government to provide leadership in developing a fair and just compromise and to re-establish a climate in which employees and employers in the mining industry can continue to contribute to the economy of this country.

The state of the economy of this country is a matter of vital importance to every one of us and certainly to the Minister of Finance. If the minister is to demonstrate his concern for that vast segment of our economy, namely, the mining industry, he will accept the amendment which has been proposed, thereby restoring the faith of the public sector in the industry. I refer to investors in the mining industry.

There is time for further eyeball to eyeball negotiation with the first ministers of the provinces, rather than the confrontation which has generated so much verbiage in the House in the last while. We have been assured by the Minister of Finance, by the NDP, hon. friends to my left, by the NDP in British Columbia, Saskatchewan and Manitoba, as well as by Conservatives in Ontario, that heavy taxation, combined federal and provincial, will not cause existing mining operations to close down prematurely. I heartily agree and so does the mining industry and the Minister of Finance. There is no argument about that. But as sure as blazes there is some argument and some concern about the future.

The Minister of Finance knows, even if some provincial ministers obviously do not, that it takes years and years, and frequently millions of dollars, to prove out a mineral possibility, to establish a mine and to staff the enterprise with miners, engineers, technicians and the necessary equipment. The recent federal and provincial taxes motivated by the higher prices of metals have brought about this greedy confrontation between the provincial and federal governments to the detriment of the entire mining industry and of the people who work in mining areas. Consider the price of copper. Surely the government and the Canadian people recognize that more than any other commodity on the market, the price of metal is subject to major fluctuations, brief high and extended low periods. With rose-coloured glasses they only look at the high prices. This is precisely what was done in the province of British Columbia, and now they are reaping the sick benefits of their political machinations in that regard.

● (1620)

Consider housing in the United States and what it has done to the B.C. lumber industry. Forecast what the same type of thinking and the same trend in the economy, plus federal legislation and provincial legislation, will do to thousands and thousands of men and women who work in the mining industry. This is part of a cycle which the minister proposes to inflict upon British Columbia and miners, smelter workers and all the ancillary services of

the mining and smelting industries. We have already been pilloried and damned by the National Film Board in Trail, and now we are getting this piece of cake served to us. Frankly, we are not at all impressed.

I suspect that the federal government has some sort of death wish for Kootenay West, an area of heavy mining industry, an area of smelting, an area which has provided billions of dollars in taxation for this nation, with nothing in return except this kind of federal legislation to further drive down the economy of this country in general and my riding in particular. I rather suspect that Ontario and Québec—those two monoliths in the middle of Canada—treat the maritimes, with their coal and iron ore industries, and British Columbia as colonies. When we look at this legislation, what else can we assume?

Canadian mining cannot make an effective contribution to the economy in a climate of this nature. What we must have—and we will not have it unless this amendment is accepted—is the orderly development of the mining community and the mining economy, not cyclical change subject to the whims of provincial and federal ministers, subject to the whims of the marketplace and subject to the whims and economies of other nations with mineral resources and industries. Federal and provincial co-operation is a must. It must be held out to us. The olive branch has been extended and we urge the minister to accept it. Is there any basis in fact for what I have said? The mineral output alone—not the oil or gas output—rose from $475 million in 1946 to $3,278 million in 1969. Production and productivity were up three times the rate of the economy of Canada as a whole. And we are speaking of one industry. What a magnificent achievement and a symbol of industry both for the miners and the mining companies.

There is no evidence on which to assess the short-term and long-term effects of this proposed taxation measure; I think this is the point which disturbs me most. We have yet to hear, from the government side, concrete evidence as to the effects this taxation will have on the mining, oil and gas industries. I ask the minister what the spin-off effects of this particular proposal will be. I urge the minister to tell us what his proposal will do to the mining industry, the oil industry and the gas industry, and what it will do to their employees and to the economy generally. There has not been a word. What is the long-term effect? Has it really been pondered? Has it really been studied? Or has it been popped into a computer for an immediate answer?

Perhaps more than the oil and gas industries, the mining industry needs a long time in order to develop. Capital diverted from the mining industry in Canada is now flowing and will go on flowing to other parts of the world where the same metals are available. Tax and royalty rates in some cases, when we look at the federal and provincial structure of these taxes, reach 100 per cent; yet there is no surprise expressed by or comment from government members at this 100 per cent taxation. I wonder how hon. members opposite would feel if each of them was subject to 100 per cent taxation. There would be a bill before this House pretty damned quick to increase salaries.

I must admonish the minister with reference to the proposal in the amendment put forward by the hon. member for Qu'Appelle-Moose Mountain, because the amendment was submitted with sincerity and integrity as a solution. An hon. member with years of valued experience contributed a valid proposal for the government. Did the Minister of Finance consider it as a solution? No. Did he suggest for a minute that he might invite opinions from the first ministers? Did he ask the mining companies what they thought of the proposal? He could not be bothered; therein lies the shame of the whole thing. It is a valid proposal, developed with sincerity and honesty—and no one bothered with it, least of all the Minister of Finance. The Minister of Finance has said:

—the federal government should recognize the "special position of the provinces with respect to the taxation and charges on resources within their boundaries"—

That is a strange statement in light of present events, is it not? What did the minister mean by the "special position of the provinces with respect to the taxation and charges on resources"? He meant exactly the opposite of what everyone who read those words thought he meant. He went on:

—the federal government must ensure that provincial royalties, taxes, and other arrangements do not "unreasonably erode" the federal corporate income tax base—

I agree. This has to be part of the discussion between the first ministers of Canada and the Minister of Finance. I agree that some of the mining taxation and royalty proposals of the provincial governments are not conducive to the federal government's receiving its fair share, but I also believe there must be consultation and that any imaginative minister would accept the proposed amendment and at least feed it into the machine for feedback from the provinces and the mining industry. But somewhere along the line the minister's fingers were jammed in the letterbox and the mail was never sent out. The minister also said:

—over-all Canadian tax policy must have regard for the competitive international position of the industry and the financial resources it requires to bring forward production needed in future years.

That is a motherhood statement, if ever I heard one. But what is it doing for us? It might do something if the amendment is accepted; otherwise it is a useless piece of rhetoric and we all know it. If we do not, we should. The fundamental conclusion which can be drawn from the main budget is that the federal government decided it was not prepared to leave taxation and regulation of the resource industries primarily to the provinces. We would accept that, but on the basis of the present proposals how can it possibly be accepted? I know the minister has a bit of a headache over problems in the west, but the west has always been known to generate a headache now and again. Perhaps an olive branch type of aspirin would relieve the headache.

● (1630)

There is little doubt that British Columbia mining royalties were designed to extract as much revenue as possible from the industry as well as to deny a measure of taxation to the federal government. The result is that the B.C. mining companies are placed in the middle of a ham sandwich, a fight between the province and the federal government. The poor mining companies and those who work for them and value their jobs are the ones who are being gobbled up.

What about the effect on the mining industry? What are the implications? I have mentioned the time it takes for a mine to develop, the amount of work that goes into prospecting, into development, into the raising of capital, equipment and manpower. And I would venture to say that 90 out of 100 claims go down the tube. The increase in federal taxation of the mining industry, in consequence of all the measures which have been proposed, will only become effective, really, after the mining industry exhausts its depletion arrangements. Once this concession, dating back to November, 1969, has been used up, the ball-game will be a sad one indeed for the economy of this country. I say this even in the light of major mining developments. Tax benefits under the new completion rules will not be nearly as favourable as under previous provisions.

What are the implications for resource development? We know that governments, federal and provincial, with an eye to the high prevailing prices wanted to seize on to the bonanza. Lord knows, we have heard enough about this bonanza from members of the party to our left. But under this type of taxation there is no possibility of putting funds aside for the lean years. Of course, there is no scientific way of determining what is an appropriate level of taxation, but it has been my experience that the best way in which to reach a reasonable conclusion is to sit down and talk things out. There just hasn't been enough of that.

What are the effects of taxation at this level? There are three points that could be made about the higher tax burden faced by the Canadian mining industry. The first concerns the dogfight which has been going on for some months between the federal government and the provinces for a share of the resource profits. Each level of government has imposed its new tax without regard to the position taken by the other, in some cases in an obvious effort to pre-empt the other in the tax field. The resource sector found itself in the middle of this dogfight and as a result it is really suffering. In particular, it is suffering from lack of investor confidence.

The structure of the new federal-provincial rules has had a particularly disastrous impact on new resource development, and that is saying a lot right now. Where are the new resource developments in Ontario, in British Columbia, in Alberta or, for that matter, in any of the other provinces? I will give just one example: while the average tax burden on a large, integrated Ontario mining producer could still be less than 50 per cent, additional income obtained from operating economies or the expansion of existing mines is charged at a marginal rate of 73 per cent. That is not too bad, but move a little farther west and you will hit 100 per cent—a grim batting average.

The whole structure of resource taxation is in chaotic confusion. There is complete absence of form or unanimity. There has been no dialogue, federal or provincial, and no valid considerations put forward affecting the entire topic, though this is long past due. I conclude by imploring the Minister of Finance, as I did on another occasion, to recognize the sincere manner in which this amemdment has been put forward. This is an opportunity for a lot of good mileage to be gained for the provinces, the mining industry and the government itself.

[Mr. Brisco.]

We know that the mining industry has been expressing its concern to the minister; however, I doubt that the minister has been expressing his concern to the mining industry. I suggest that since the minister will have an opportunity to discuss this matter thoroughly with the provincial premiers, it is incumbent upon him to sit down with leaders from the mining industry and talk it out with them.

Mr. Bawden: I should like to ask the minister one or two questions regarding a number of points which arose earlier in the debate. The attitude taken by the hon. gentleman has, of course, been that the provinces were claiming an undue share of the tax base, thereby eroding receipts by the federal government. On February 5 I asked him if he could tell us what the percentages would be if they were revised to reflect the export tax as a receipt by the federal government. The minister has advanced the argument that receipts from this tax were assigned as a subsidy to the eastern provinces. The fact of the matter is that this amount was relinquished by the western premiers last March in return for certain concessions and a total package.

Mr. Turner (Ottawa-Carleton): Perhaps I should do my best at this point to answer some of the questions that have been put to me. The hon. member for Qu'Appelle-Moose Mountain again put forward the proposition he raised on second reading, namely, that clauses affecting resource taxation should be postponed, in effect, until proclamation by the government, the governor in council, following the expiration of the 15th day of April, that date being chosen to allow the meeting of first ministers to take place.

● (1640)

I gave my reasons on second reading for rejecting that proposal of the hon. member. Basically, the budgetary proposals which were introduced on May 6 and were defeated in the House on May 8, along with the rest of the budget, formed the topic of the meeting of first ministers at 24 Sussex Drive before the November 18 budget. They were reintroduced to a certain extent in the November 18 budget, with two fundamental changes involving the restoration of the 100 per cent deductibility for exploration, as against the 30 per cent figure in the May 6 budget and, of course, the additional abatement for petroleum, from 25 per cent to 30 per cent; or, putting it another way, we reduced the federal tax from 30 per cent to 25 per cent.

There was a thorough discussion of resource taxation measures between all ministers of finance, provincial treasurers and the federal Minister of Finance on December 9 and 10 in Ottawa. The taxation aspects of the budget have been thoroughly discussed by those ministers since their introduction into parliament. Such discussion took place after consecutive budgets had been introduced.

Mr. Stanfield: But did they all agree with you?

Mr. Turner (Ottawa-Carleton): No, there were legitimate differences of opinion.

Mr. Stanfield: Did any of them agree with you?

Mr. Turner (Ottawa-Carleton): Yes. The provinces were divided in their approach to the budgetary provisions.

Mr. Stanfield: One out of ten may have agreed.

Mr. Turner (Ottawa-Carleton): I remind the Leader of the Opposition that members of parliament represent all parts of the country and there are bound to be differences of opinion between members representing areas of federal jurisidiction and others.

Mr. Nowlan: Who represents the west on the government side?

Mr. Turner (Ottawa-Carleton): There are bound to be differences of opinion between those representing provincial and federal jurisdictions. What I am saying is that these budgetary measures were introduced to respond to unilateral taxation measures introduced by several provinces, including Ontario, Saskatchewan, Manitoba, Alberta and British Columbia. Those provisions were introduced without prior consultation with the federal jurisdiction. I am not complaining. They acted within the scope of their jurisdiction. We are acting within the scope of our jurisdiction and we are putting these meausres before parliament.

I am saying that the conference of first ministers on April 9 and 10 can deal with the two negotiable sides of the issue. They are negotiable because we are not talking about provincial taxation on one hand and federal taxation on the other. They are negotiable because they deal with the fundamental issue of price, which will be of immense revenue consequence for the federal government, the provinces and the industries concerned, and with the issue of access to markets and guarantees as to markets. These subjects are still open for negotiation.

Mr. Andre: But they were decided on March 27.

Mr. Turner (Ottawa-Carleton): If, as a result of that first ministers' conference, other measures must be taken, each jurisdiction will govern itself accordingly. One of the issues which the hon. member for Qu'Appelle-Moose Mountain brought forward at second reading and at committee stage had to do with a problem of certainty. It is clear, and I agree with him, that we must over the next decade get our taxation, pricing and marketing mechanisms in place so that the petroleum, natural gas and resource industries know where they will be going in the next ten years. I do not think his suggestion with respect to the proclamation vehicle adds to that certainty or resolves the issue of certainty. I think his suggestion would prolong uncertainty. I said so on second reading and I say it again. As I said, we must dissipate the climate of uncertainty which has arisen in a number of quarters for a number of reasons in connection with a number of issues.

The hon. member for Calgary South asked me what the percentage of division as between provincial and federal jurisdictions is to be in relation to the export tax. I do not have the figures with me. The province of Alberta has already made them public. I said to the hon. member in the House and in committee on several occasions that we do not consider the export tax to be part of a mature system of taxation for the next decade because it will be self-liquidating and a diminishing phenomenon as the domestic price more nearly approaches the international price.

If I may deal with the substance of the question dealing with front-end loading as raised by the hon. member for Qu'Appelle-Moose Mountain—

An hon. Member: Is the minister dealing with each question raised?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I want to finish my comments. I will not take very long. The hon. member for Qu'Appelle-Moose Mountain put a proposition to me and to the committee. He proposed that the government should levy no tax or royalty on new resource investment until the initial capital cost had been recovered, and that resource corporations should pay no dividends until all their debt had been retired. That is how I understood his proposal. In this way, so he argues, the total burden of debt charges over the life of the investment would be reduced. The fraction of the total operating income over the life of the investment which would accrue to holders of equity, and government, would be increased and the fraction which would apply to credit would be reduced. At any rate, that was his argument. He proposed in his speech that the federal government should take the lead in reducing the front-end loading, as he put it, of taxation. The argument was restated by the hon. member for Don Valley.

The government submits that the hon. member for Qu'Appelle-Moose Mountain did not take into consideration three important aspects of resource financing: first, that virtually all investment in oil and gas is financed on the basis of equity and not by debt capital. Actually, the petroleum industry resists debt capital.

Mr. Gillies: But this has to be changed and Syncrude is the perfect place to change it.

Mr. Turner (Ottawa-Carleton): I agree. The industry will have to consider debt capital. Debt service costs at the moment amount to less than 13 cents per barrel of oil produced in Canada, which represents less than 2 per cent of operating income. The second point is this: because exploration expenditures may be written off for tax purposes in the year in which they are incurred, because other production development costs may be written off at 30 per cent per year for tax purposes, and because exploration and development expenditures are in depletion at the rate of $1 for every $3 of expenditures, taxable corporation income is reduced by $1.33 now for every $1 of investment and most of this reduction takes place before production even begins. So the front-end loading argument is diminished considerably for these reasons. In general, no corporation income is eligible until income for tax purposes exceeds the cost of the original investment. Hence there exists, in our opinion, no front-end loading of income tax such as the hon. member suggests.

That brings to mind the argument on the other side of the coin which is that perhaps those incentives are too generous. That is what some hon. members may think. I do not want to deal with that argument. At the moment I am trying to deal with the argument raised by the hon.

member for Qu'Appelle-Moose Mountain. My third point is this: the holders of equity capital always have the option to use net earnings in any one year in a variety of ways. They can reduce outstanding debts, undertake new investments or pay dividends. In the past, the petroleum industry has financed its new investment almost exclusively with equity capital either in the form of new issues of shares or retained earnings. I agree with the hon. member for Don Valley. I think too little use has been made of debt markets to finance new investment. Less than 20 per cent of net earnings have been paid in the form of dividends.

It is true, however, that bonus payments, lease rentals and royalty payments to the provinces have represented in the past a type of front-end loading to which the hon. member for Qu'Appelle-Moose Mountain referred, although this burden has been somewhat reduced recently by provincial drilling incentives, particularly in Alberta. I suggest that it is to provincial governments that the hon. member ought to direct his argument about front-end loading because the biggest front-end loader of all is the royalty concept which pays no regard to general profits and considers only production. If there is any front-end loading, the royalty concept exaggerates it.

The hon. member for Nanaimo-Cowichan-The Islands asked me a number of questions with which I will attempt to deal not suavely but as frankly as I can. His first question was, are all royalties non-deductible? The answer is yes, no matter what the rate of the royalty might be. Then he asked, how does one distinguish between royalties paid to provinces and royalties paid to corporations? My answer is, as I said to Premier Blakeney, to Mr. Cowley and to Wes Robbins, that is a contractual payment freely negotiated by both sides. So there is a difference between a royalty which is contractual and a royalty which is a disguised tax.

Then he asked me this question: How do you distinguished between a royalty paid to a provincial government and a royalty paid to a foreign jurisdiction, the royalty paid to the foreign jurisdiction being deductible? My answer is this: If a royalty to a foreign government were to be escalated against price or profit instead of being a flat payment levied against production, and that is how these payments are still made, I would have to rethink that question, just as I had to rethink the question as it applied to Canadian provinces when they changed royalties from flat payments against production to escalated payments levied against profit or price.

● (1650)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Does the minister propose to allow a royalty which is paid on a flat rate per barrel in Canada, if any province decides to adopt that procedure, to have that deductible for income tax purposes?

Mr. Turner (Ottawa-Carleton): We probably will be caught on that, Mr. Chairman. Because there are so many varieties of royalties and disguised taxation payments, I will have to look at it very carefully. It is hypothetical now, except in the maritimes. Most royalties of other provinces, except in timber, are escalated now against price or profit.

[Mr. Turner (Ottawa-Carleton).]

The hon. member for Nanaimo-Cowichan-The Islands also asked me whether any other deals had been made with the Syncrude operation. The only concession, to use his word, and I have not used it, or exemption from the budgetary provisions of November 18 available to the Syncrude joint venture is that the royalties are deductible because I allowed the regime applicable before May 6 to apply. This was because when Alberta and the four partners signed the joint venture agreement I undertook to them that the regime in force at that time with respect to royalties applied. In other words, what I am saying to him is that the earned depletion allowance, the 30 per cent for development costs, the 100 per cent for exploration costs and all the other aspects of the regime now before the committee, will be applied to the Syncrude operation. The only special arrangement has to do with deductibility of royalties.

The hon. member then asked me if it were possible for the partners to the Syncrude operation to write off whatever incentives they got from Syncrude against other income. My answer is that Syncrude is not an entity in itself. Syncrude itself bears no tax. This is a joint venture. The rules of partnership on a joint venture apply, so that any of the partners to the Syncrude arrangement can write off whatever incentives they have as a result of their participation in this joint venture or partnership against their other income. There is no difference in the taxation law as it affects the joint venture or partnership.

The hon. member for Dauphin asked me how royalties are calculated for the purpose of the B.C. Petroleum Corporation. The fair market value is determined quite easily. We take the gross market value or price of the natural gas or petroleum. We subtract the transmission or other charges of getting it to market. That figure becomes fair market value, which is considered to be the royalty value, against which the amount of the deductible provision is applied.

The hon. member for Sault Ste. Marie asked me five questions. The answers to those questions, in order, are yes, no, no, yes, no.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I will be a little more explicit, to make sure I understand the questions. The first question was, what arrangement was made with respect to Syncrude? It applies only with respect to royalties. I have just given an answer to the hon. member's colleague, the hon. member for Nanaimo-Cowichan-The Islands. The second question had to do with an exemption from the earned depletion rules. The answer is they are caught by the earned depletion rules. The third question was, what about the 30 per cent depletion costs: would they be exempt from that: would it be 100 per cent? The answer is no, they would be caught by a reduction from 100 per cent to 30 per cent of development costs.

The fourth question was the same as that asked by the hon. member for Nanaimo-Cowichan-The Islands. My answer is, it is a joint venture. Of course, income is calculated on a joint venture basis. The joint venture rules apply. Syncrude in itself is not a taxpayer; it is merely a joint venture or partnership creation. It is the partners, except the province of Alberta, who are taxed. The fifth

question, what is Syncrude's tax rate? My answer is that Syncrude is not a corporation. Syncrude itself is not taxed. It is the partners who are taxed.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Will the minister permit a question? From time to time the minister has mentioned the dividends which the government will get from Syncrude. I understand Syncrude will not pay dividends. It is not a corporation. The federal government and the governments of Alberta and Ontario are simply partners. They will pay their share of the operating costs. They will get their share of the oil. There will be no dividends paid. The Canadian people will get their return from the oil which the Canadian government receives as its share and which it can market.

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman. The hon. member is correct in the sense that if the Government of Canada is in for 15 per cent subject to a $2 billion figure more or less, to use the words of my colleague the President of the Treasury Board the federal government's obligation is for 15 per cent of the costs and its return on whatever the return is over costs is profit at the rate of 15 per cent. That 15 per cent will be satisfied either in oil or in cash, whichever is the case.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Syncrude is not a corporation, but a joint venture. From whom will they get the cash unless they sell the oil to one of the partners?

Mr. Turner (Ottawa-Carleton): The oil will, of course, be sold to one of the partners, that is, the Alberta marketing board. Whatever return there is will be divided as the hon. member and I would divide it if we were in business together. Knowing the hon. member's shrewdness, I think we would more likely make a profit rather than endure a loss. I would not insist on an agreement with the hon. member; I would take his word.

Mr. Hogan: May I ask the minister a question?

Mr. Turner (Ottawa-Carleton): I am now answering questions put to me earlier, Mr. Chairman. The hon. member for Strathcona said here I am, going around the world trying to cushion the effects of petro-dollars. It was because of the problems in microcosm within our confederation that the policies we introduced in the past 18 months, to share the benefits and burdens of confederation, attempted to cushion within our country the same effects that some of us now, on the international scene, are having to cushion because of the movement of money and transfer of real resources.

The final question was that of the hon. member for Calgary South. I have not answered it to his satisfaction but I have answered it in the only way I can.

Mr. Hogan: I just want to get this clear. Is the minister saying Syncrude will not retain automatic depletion of up to one-third of production profits?

Mr. Turner (Ottawa-Carleton): What I am saying is that the partners of Syncrude are obligated by the new rules of earned depletion.

Mr. Bawden: Mr. Chairman, the minister spoke about calculating the export tax amounts as non-deductible because proper long-term taxation policies demanded this, and that export taxes over a period of years would in fact be eliminated or minimized. Does the minister take the view that this must be dealt with on a long-term basis, when in fact the agreement with the first ministers was on a short-term basis? It was something like only 15 months. The minister should explain why the government saw fit to deal with this export tax as non-deductible within the 15-month period when in fact it was a long-term taxation measure.

Mr. Turner (Ottawa-Carleton): The answer is in the bill before the committee reflecting the budget. We are looking for a mature, long-term tax arrangement as far as the federal government is concerned, although any subsequent parliament can do with it what it will. The first ministers' meeting, of course, dealt with a pricing situation which had a limited duration. On the basis of the long-term taxation arrangements now before the committee, they are proved. The Prime Minister and the premiers will deal with the short and long-term pricing and marketing arrangements. I say to the committee, let's have the taxation fabric in place; let's leave the flexibility for the revenue features attaching to price and market.

• (1700)

The Deputy Chairman: Order, please. It being five o'clock p.m. it is my duty to rise, report progress and request leave to sit again later this day.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Harbours—Hamilton Harbour Commission—Request for assurance no members of parliament implicated in court proceedings; the hon. member for Calgary North (Mr. Woolliams)—Harbours—Hamilton Harbour Commission—Document served on Minister of Labour to authorize search of office; the hon. member for Pembina (Mr. Elzinga)—Request that responsibility be removed from Minister of Indian Affairs and Northern Development—Alleged conflict of interest.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, private bills, notices of motions. Is it agreed that the bills standing before Bill C-222 be allowed to stand?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA ELECTIONS ACT

MEASURE TO EXTEND FRANCHISE TO INMATES OF PENAL INSTITUTIONS

Mr. David MacDonald (Egmont) moved that Bill C-222, to amend the Canada Elections Act (prisoners enfrachised), be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Madam Speaker, I am grateful for the opportunity to have a matter that I have had on the order paper for some three years now discussed, if only briefly, by the House since it is a matter that touches very basically upon the whole system of incarceration as it presently exists in this country. Hon. members may be surprised to know that during the past three years a bill has stood on the order paper which would give inmates in both federal and provincial prisons the right to vote. Or, to put it negatively, perhaps members are unaware of the fact that at the present time under the Canada Elections Act those serving time in prisons or penitentiaries are disenfrachised by the act, along with children, foreigners and those who are mentally ill.

I believe the continuing and fundamental denial of political responsibility to those who are presently serving time in municipal, provincial or federal institutions to be not only a bad situation but one that consistently leads to a lack of effective rehabilitation and reincorporation back into productive society of those who, for short or long periods of time, have been removed from society to serve a sentence in one of the three institutions to which I have referred.

This whole business of depriving prisoners of certain civil rights is one that goes very far back into history. I am grateful for a brief recollection of this from a work by a professor of law, Stuart Ryan, which was published by the John Howard Society in March of 1962 under the title "The Laws of Civil and Political Rights on Conviction of a Criminal Offence". In reviewing the situation that existed in earlier times, Professor Ryan comments as follws:

Another consequence of conviction of treason or felony was attainder—

That is a new word in my lexicon.

—which was a kind of "civil death". The attainted person forfeited all his property, real and personal, and all his rights of inheritance, and his wife and descendants were deprived of all right to inherit by or through him. This loss of inheritance was supposed to be the result of "corruption of the blood". The convicted person could not sue or be sued and lost all civil and political rights. These consequences did not follow at common law on conviction of a misdemeanor or summary offence but by various statutes a number of disabilities were imposed on persons convicted of certain misdemeanors.

Professor Ryan then describes some of the medieval processes of torture that were used to extract confessions or indications of guilt on the part of an accused. I believe that conditions in the fifteenth, sixteenth, seventeenth and eighteenth centuries are in no way comparable to the world of today's inmate or to the thinking which in the present age should govern the way in which we should define the prisoner-to-society relationship. Just as there are no, or perhaps I should qualify that and say very few people who would argue that we should banish criminal offenders to Devil's Island, or impose some form of banishment that would remove them from society, both psychologically and physically, so we have gradually adjusted our views as to what is the correct and proper treatment of those who are criminal offenders and inmates of our public institutions.

[The Acting Speaker (Mrs. Morin).]

The interesting thing is that while so much has happened with respect to the civil and legal rights of the inmate in today's institutions, there has not been much opportunity in the past few years to question the fundamental right and responsibility of a person to vote. Professor Ryan goes on to quote in this publication, which is now somewhat dated since it was written about 12 or 13 years ago, the fact that even at that time—and other rights have been added since—a convicted person, whether undergoing imprisonment or not, and even a person under sentence of death, may agree to buy or sell property, give or take a deed, mortgage, lease or other transfer of property, give or receive gifts and make a will. He may also receive rent, interest, dividends or other income from property and will be liable to pay income tax on it, although his enjoyment of such income will obviously be postponed until his discharge, and it must accumulate to his credit in the meantime. He may even take out a patent for an invention and grant licences to work under it. He may assign such income to his wife or dependants or to others who may enjoy it while he is in prison.

We are all aware today that there is an increasing amount of social activity among inmates in our institutions acting on their own behalf to improve the collective good both with respect to their eventual rehabilitation in and release to society. We know of specific instances where inmates today are writing and publishing books, even contributing plots and material for the production of motion pictures. Even more interestingly, we are aware of the clearly defined right in this country of an inmate in an institution to have free access to and correspondence with members of parliament.

All of this means that there has been a substantial change regarding the actual civil liberties of inmates in institutions. But the fundamental right to vote and to select or support a candidate for public office seems not to have been considered seriously up until very recently.

Mr. Alkenbrack: And it should not be.

Mr. MacDonald (Egmont): I hear one of my colleagues say that it should not be. I suppose that is the purpose of this debate, to enable us to discuss some of the aspects of this question. Surely at the present time our laws with respect to the rights of inmates are at least inconsistent and may in some way be one of the reasons for the sorry state of recidivism in this country. The fundamental question this raises is surely to what extent are inmates to be deprived of rights that are normally accorded to every citizen, and to what extent are such rights to be infringed both in terms of the public good, which is a basic responsibility we share in this institution, and in terms of the individual good of the inmate involved?

● (1710)

The fundamental fact is, of course, that we have continued in respect of our laws, in a sense, to think that a person who becomes an inmate, either for a short period of time in a provincial institution, a few weeks, or for a longer period of time in a federal institution, is in effect a non-person. In other words, we are continuing to effect some kind of rejection of that person, more than just removing him from society so he will not commit any further crime or anti-social act. We are also suggesting that we do not regard that person in a sense as a citizen in the same way in which we regard any other adult 18 years and over in our society. I think much of this is based on a continued confusion about the prime purpose of imprisonment.

What is the purpose of imprisonment? There is not the opportunity today, obviously, to debate this question but I think there are a number of unspoken assessments that exist in respect of imprisonment which we have to look at very carefully. Obviously, from the very earliest times one of the fundamental assessments of imprisonment and the loss of rights was that this was a form of retribution. If a person had committed an offence against society and against one's fellows, he should in a sense pay for this by serving a term during which he would lose a considerable number of rights, not the least of which would be his own personal freedom.

More recently, the aspect of retribution has almost entirely been rejected as being one that made no sense whatsoever. But there are other aspects of imprisonment that we still believe are important. One I hear mentioned very often is that of deterrence—that imprisonment and loss of certain rights will serve as a deterrent upon one's fellows to perform similar anti-social or criminal acts. Unfortunately, the fact is that this has not really been proven conclusively by any evidence produced recently. Indeed, most of the research that has looked at this question has come increasingly to the point of view that deterrence, at least from the point of view of imprisonment and punishment, is really not effective.

There are two other aspects I will mention but briefly, to recognize that they are in the conscience of some people in respect of imprisonment. One is of general abhorrence, where criminal acts are considered to heinous or so abnormal in the generally accepted state of social behaviour that we should indicate by terms of imprisonment or punishment that they are simply not socially accepted. That, too, does not have a great body of proof to support it in this day and age.

Finally, there is the feeling—sometimes it is used to support forms of punishment all the way up to and including capital punishment—that there must be some community catharsis, where the community has the right to release its own anti-social behaviour within the individual sentence of an individual. I believe, however, that all of these, either collectively or individually, offer substantially little factual information or support to indicate we are in fact achieving a very desired result. The fact of the matter is that if we look at our present prison system in this country, it is not one that can encourage us. We know, for instance, that it is fantastically expensive, certainly at the federal level. The average cost of maintaining an individual in a state of imprisonment federally is more than $12,000 a year.

It was suggested to me somewhat facetiously the other day, although somewhat seriously by one person I talked some of these matters over with, that perhaps the answer to our problem in respect of the great number of people serving time in federal institutions would be to give them all a guaranteed income of $10,000 to $12,000 a year, which would certainly close down a number of institutions and even save a good deal of expense for the federal treasury. That is an idea that perhaps should not be treated too seriously at the present time. One thing we should consider very seriously is the fact that in our present penitentiary situation, in fact in our situation of imprisonment generally in this country, roughly three-quarters of the people who are or will be serving time will at the conclusion of their sentence, either through final release or parole, be faced with the likelihood of being convicted of further criminal behaviour and serve more time in institutions.

We cannot stand by and beat our breasts because our system is working wonderfully well and achieving tremendous results, particularly in light of the fact that there are other experiments and other experiences in other developed countries which would indicate they are having a much higher degree of success in respect of rehabilitation and in lowering the rate of recidivism. This is mentioned in the most recent reports and we have had numerous reports over the past 25 years regarding our prison and parole systems. In the Ouimet report of 1969, in reflecting upon the performance of the prison system it is stated:

> —the clear purpose of the prison system was (1) to hold the individual inmate in custody for a period of sentence subject to remission or parole and (2) to prepare the individual for permanent return to the community as a law-abiding and contributing citizen.

I would argue that to achieve these minimal goals as set out by the Ouimet committee in 1969 we do not do so by continuing a situation in which we suggest very clearly, both explicitly and implicitly, that prisoners are non-persons. Because I have had this bill on the order paper for the last three sessions of parliament, there has been a fair bit of public response. As can be imagined, some individuals have written condemning me for the fact that I am going soft on people who are out to do society in. There are others who have offered more thoughtful comment, and I want to quote from two or three letters. Perhaps the most interesting of them comes from the Canada Junior Chamber of Commerce, which cannot be regarded as a wild-eyed radical or left-wing institution in this country. This is a letter from the chairman of the correction programs within the Canada Jaycees.

I should here like to say that the Canada Junior Chamber of Commerce has done more practical work within the penitentiaries of this country than almost any other institution I can think of, having active chapters on both the east and west coasts of this country. This individual tells me that as a result of their national meeting last summer—and he encloses a copy of the resolution put forward by the Springhill Jaycees in July, 1974, regarding the right to vote for inmates—this matter was passed by quite a large majority at the general assembly of the Canada Jaycees so that the Canada Jaycees are now officially on

record as supporting the right to vote for inmates in penitentiaries.

I have had other expressions of support from individuals within the John Howard Society, the Canadian Corrections Association and also from the St. Leonard's Society, all of which have indicated that this is a matter of concern and study, and on an individual basis they support very much this initiative. I should like to read, however, from a letter from one of the inmates on the west coast who wrote me more than a year ago now. He stated:

I am an inmate at William Head institution, attending the University of Victoria. I hold several positions of trust at the university, yet I am unable to vote. Most of the prisoners at William Head probably would not be too certain how to vote but in all likelihood would vote for the party that enfranchised them.

Perhaps that would be a good argument for my colleagues opposite to take the initiative and make this the law immediately. This individual goes on to state, and I think this is of utmost importance:

I wish you success in your bill. One of the problems prisoners face is that they are rejected as much by society as by their immediate families. Many of the dismal failures leaving our institutions are products of the institution itself. A small thing like this bill can give a man self-confidence; a feeling that someone in society is still interested in him. I hope that other members realize that prisoners would not abuse the right to vote; it would only make us feel more human.

I think that is the real issue we are facing. We are not going to solve all the problems that exist in respect of our penal system in this country or the whole criminal justice system as it now exists. I am well aware of the fact that there are a great many problems and a great many changes that must take place with respect to the whole system of incarceration and the way in which we treat those who perform anti-social or criminal acts. But I share the view expressed recently by Mr. Chief Justice Berger of the United States Supreme Court when he said that the prison system is the most neglected, the most crucial and probably the least understood phase of the administration of justice.

● (1720)

I believe that if we were to recognize, through this rather modest change in the Canada Elections Act, the right and responsibility of inmates to participate in federal elections in this country, we would be taking one step forward to publicize and explain to people the extended changes that must take place if we are to achieve the two essential goals set forth by the Ouimet committee, that is, the ultimate protection of society and the rehabilitation of the inmate directly involved.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine): Madam Speaker, the bill introduced by the hon. member for Egmont (Mr. MacDonald), although having its place in the current reform process of our penal institutions precisely because it comes within a rehabilitation plan for common criminals, brings me to ask a number of sensitive questions originating from the very foundations of our present system and ultimately ending in a certain notion I have of the reintegration of ex-inmates in our society.

The measure proposed is clearly a liberal one in the ethymological sense of the word and I am personally very pleased to participate in this debate because the proposal

[Mr. MacDonald (Egmont).]

questions certain basic principles concerning the treatment of inmates. Those principles gave rise to strong polemics ever since the beginning of the world, that is the retribution-vs-rehabilitation alternative. Retribution, as the hon. member for Egmont explained earlier, is designed through chastisement only to punish a criminal and keep him from relapsing.

The first question that comes to my mind is why? Why allow individuals who admittedly rejected certain values accepted by society by transgressing *ad libitum* the provisions of the Criminal Code which is in fact or should be only the reflection of said values? So why allow them to avail themselves of that basic right that is the right to vote? Why allow those individuals to participe in the decision-making and election process designed to delegate to a government the power to regulate that society they often reject but that actually serves them?

Why finally punish on the one hand and offer on the other an opportunity to participate actively in social life? All the elements to the answer are found in the word rehabilitation.

Up to about fifty years ago little case was made of the plight of inmates when they reintegrated the free world following a stay in a penitenciary. The only true philosophy of the present system was to have the offender pay for his mistakes and make him pay so much he would not relapse. It is the retributive notion of sentencing, and all experts in the treatment of delinquency now agree that new avenues have to be explored for the treatment of criminals in view of the current tendency among experts in penal sciences and delinquency to consider the criminal not as a deviate but rather as a victim of a deficient psycho-social conditioning.

I used the word "treatment" because that is what we are dealing with here, in fact, since the criminal is indeed sick from a social point of view. In spite of much good will, rehabilitation in Canada has not given expected results, for various reasons it would take too long to go into; from this admission to wholesale condemnation there is but one step, we must at all cost refrain from taking it. Without going into lengthy comments on the causes of delinquency, I should still like to quote an excerpt from the book written by Richard Cobetz, *The Police Role and Juvenile Delinquency*. I quote:

[*English*]

No one element can explain delinquent behaviour. Man's nature is so complicated and his total environment so intricate that it is impossible to understand delinquent motivation by examining only one part of its totality.

Delinquent acts must be understood in terms of many variables, each influencing the individual in varying degrees of intensity in a particular situation at a certain time.

[*Translation*]

This short excerpt indicates clearly that the criminal must be looked upon not as a marked man but simply as someone who was poorly conditioned by his milieu, his environment, which eventually led him to act in reprehensible fashion, either through revolt or cynicism.

Consequently, we see that the concept of rehabilitation is still in its infancy, that we still have a long way to go before the harmful elements which condition man are eliminated. Indeed, our penal institutions, though making

praiseworthy efforts to train the prisoners, have still not explored in depth all avenues open to treat the delinquents.

I feel that the Canadian public is willing, to a certain extent, perhaps not to do away with the element of retribution in the sentence, but at least to graft on it the positive aspects of rehabilitation and all it entails: parole, day parole, probation and the hiring of former inmates. Here, our responsibility, that of the federal government, is considerable and we quickly understood our responsibilities in that field. Rehabilitation also involves community impacts on prison life, vocational training of inmates through easier visits and within the same concept of non-rejection by the community of prison people, and also voting rights for inmates.

The second question arises by inference. How? Prisoner voting must remain within the other qualification criteria set forth in the Canada Elections Act. The main objection to such a liberalization move is the residence concept. Where is an inmate's residence? His last permanent residence or the prison itself? In either case impossible problems arise. First, most prisoners have no permanent home, and second, after they have been in prison for four or five years, they no longer have community links with their original abode. And often they live away from their family. On the other hand, if they elect domicile at the penitentiary, how do multiple transfers from one institution to another fit in, and in what way can we minimize the enormous impact of massive prison voting in one constituency?

More than a simple question of procedure is implied here. It is very well to give prisoners an opportunity to have an interest in public life and actively state their preference for such or such government but this should not entail an abrupt change in our electoral habits. And then, what would we do in the case of provincial institutions? Because the administration of justice is to a large extent on provincial responsibility. There should therefore be a consensus among all levels of government. There are indeed so many obstacles in the way of granting prisoners voting rights, not on principles because I am in complete agreement there with the hon. member for Egmont (Mr. MacDonald), but as far as practical procedures are concerned, I suggest Bill C-222 in its present formulation cannot be accepted at this point.

Let me indicate I certainly anticipate the day when the Solicitor General (Mr. Allmand) will rise to announce an overall reform policy for our Canadian penitential system, as the Governor of California did recently, in order that permanent status be given to the rehabilitation principle and that at long last the effective means be taken to translate rehabilitation into action for those who have an earnest desire for it. I see a double-headed penitentiary system including on one hand, standard penitentiaries for hardened criminals who emphatically refuse any rehabilitation or treatment for effective individual revalorization and, on the other hand, a new rehabilitation system based on reconditioning for delinquents who would freely accept a complex and sophisticated program for the effective and generally final reintegration in the community. Those delinquents would be willing to follow very strict rules for a set period during which they could fulfil their vocational or educational yearnings and they would be treated accordingly, because they would then be given all necessary mental or physical tools for the implementation of those programs.

Our present system indeed has a serious flaw, because it is very difficult to motivate the inmates of our penitentiaries. This condition is the direct consequence of daily contacts among unworthy individuals who are interested only in getting out to relapse into crime and it is moreover useless to try to regenerate offenders who have realized their mistakes and are willing to mend their ways. Such promiscuity generates an unhealthy atmosphere which acts as a negative counterpart to the beneficial principle of rehabilitation.

Here now is the last question to be answered: Who should be granted the right to vote? With a dual type of penitentiary system in mind, I would suggest it makes no sense to allow inmates who are totally maladjusted to vote, for all they care anyway. On the other hand, with the prospect of a possible rehabilitation still in mind, that privilege should be granted inmates who enroll in the training program, and I believe the above described impact on the electoral process and the risk associated with it would then become far less significant and would also be far more welcomed by all parties.

As a conclusion, common law convicts should be granted voting rights in so far as that innovation would be part of a global reform of our penitentiary system, a reform which should be undertaken and carried out without delay.

I would however make a distinction as to the nature of the crime. To this day offenders have been deprived of their voting rights owing only to their personality since it was considered that their conviction made it obvious that they were not to enjoy the same civil rights as ordinary citizens.

With my system, the granting of voting rights would be geared to a certain extent not to the personality as such of the offender, but to his desire to resume the position he might be led to keep up after completion of his training period. And I would add a supplementary restriction based this time on the character of the offence. I consider indeed that with respect to any offence against the state, such as sedition, spying, bribery attempts on public officers, etc., convicts should be deprived of their voting and other related rights throughout their terms. For indeed no one who deliberately acted in such a way as to undermine the foundations of our democracy should be granted such a basic privilege.

● (1730)

[*English*]

Mr. Stuart Leggatt (New Westminster): Madam Speaker, I would like to congratulate the hon. member for Egmont (Mr. MacDonald) for raising this subject at a time when it is not particularly popular to do so. I think it is to the hon. member's great credit that he raises the subject of penal institutions, and particularly the conditions of convicts within them, at a time when there is very clearly a backlash in the country against prison laxity. I must say that it does the hon. member and the House great credit that we are now debating how we treat prisoners.

The question of granting the franchise to inmates of a federal prison has within it some inherent technical problems, which the hon. member for Lafontaine (Mr. Lachance) has raised, but which I think are not insurmountable. If prison inmates voted in the riding where a prison is situated that would mean that all of us who come from ridings containing prisons would have to spend much time there, trying to make sure our vote was solid, rather than doing other duties and this might be a problem. The absentee ballot, however, if it were incorporated into the federal elections act, would solve that problem.

The real questions we have to ask ourselves are whether we should deprive those who act in an anti social way and violate the laws of this country of the right to vote; the reason we deprive them of the right to vote; and whether giving them the right to vote will provide them with any assistance in their rehabilitation, or will give protection to society in any way. I would argue that by providing inmates of federal institutions with the right to vote we would start them on the very slow road back to a feeling of responsibility for society.

Most of those now in federal institutions have probably never bothered to vote. Very few of them cared enough about society before they were charged and convicted, and usually they have a long list of convictions. Very few of them ever bothered to exercise their ballot because they really did not care. One of the reasons they are in prison is that they do not care. Our duty, in terms of protecting society and rehabilitating these offenders, is to give them something to care about.

It is not mandatory that they vote, and they may still have that same attitude and decide not to vote. But there is no purpose, for the protection of society or to punish the prisoner, in denying a person the option of voting, whether or not he wishes to vote. To encourage an inmate to take some interest in the political process so that by the time he is released he has a chance to continue that interest, it seems to me does a great deal to improve conditions within prison to some extent, and increases the amount of liaison the prisoner has with society, which is one of the key questions in this whole problem of what to do with prisoners.

I am so tired of listening to people on open line shows talk about how we coddle prisoners in our institutions. I do not think they have ever gone and seen maximum security institutions, the segregated cells in the B.C. pen, or in Millhaven or St. Vincent de Paul. Those are places of horror of which this country should be ashamed.

Some hon. Members: Hear, hear!

Mr. Leggatt: We do not coddle prisoners in this country, but we do a number of things which I think are wrong. One of the things we do with prisoners in maximum security prisons is to bring social workers in to tell them that it is not their fault that they are there; that it is society which put them there; and that all the prisoner has to do is blame his problems on society and he will be fine. I think that contributes nothing whatsoever to the rehabilitation of those who have offended. The main reasons they are there maybe societal reasons. Perhaps they got a rotten break from society. It is our duty to improve those conditions which send people there, but once they are there it is no good telling them it is not their fault.

I believe that a person incarcerated, particularly in a maximum security institution, must come to the realization that he has a responsibility for his own actions. It is pointless for those involved in progressive penology to avoid the consequences of that particular issue, and it really is the issue of whether we ask those in jail to feel guilty for their sins.

I suppose it is almost a religious thing. The hon. member for Egmont might be interested in the religious significance. In any event surely it is time we ask those who commit offences against society to feel guilt and a sense of personal responsibility for what they have done. In that process surely it is incumbent on a civilized society to treat those people in a civilized way and to put them into institutions, if they have to be under security, under conditions which are reasonable and at least modestly comfortable, instead of the kind of dark ages institutions we continue to have across this country. These institutions contribute nothing whatsoever to rehabilitation, and in fact contribute to the terrible recidivism rate we have because if inmates were angry with society before they arrived there, by the time they are released, they are spitting nails.

● (1740)

I had the opportunity, along with Your Honour and several others in the House, to tour some of the maximum security institutions in this country a year or so ago. Mr. Francis Fox was with us and he said something which I thought was very astute—"We are bound to come to the conclusion that there is a war going on here, three groups at war within a single institution—convicts, guards and administration." It seems to me that communication between these groups is an absolute prerequisite. We should at least see that there is communication and a general acceptance of the approach we take.

The approach of the guards, in general, is punitive; they believe people are there to be controlled and to some extent punished. Incidentally, that view makes their job a little easier.

The position taken by the administration is often a very progressive one, but they lack the mechanism by means of which they could work out their ideas. I might point out, in this connection, that we are hiring guards at salaries which should make everyone in this House ashamed. We are hiring people to go into situations often of real danger at wages one would not offer to a hamburger stand attendant. No wonder some of these guards feel we are not interested in their situation or in their problems. They see themselves regarded merely as turnkeys, and that is what they become. Until we take a realistic look at salary levels, until those levels are substantially increased—and I am thinking in the range of 40 per cent or 50 per cent—we shall make no progress in the present system.

The bill before us calls for an important step in inculculating a sense of responsibility. It is valuable in terms of rehabilitation. Recognition of a sense of responsibility is an important step and voting is part of this process. In British Columbia, when dealing with juvenile offenders the intention now, is to divert the offender from the prison

system entirely while making him responsible for compensating the victim—he comes face to face with the person in society he has damaged, and when he does so he begins to feel a sence of responsibility. In my view this is the beginning of the rehabilitation process. I hope such a program can be carried out in areas of serious crime among adult offenders.

Finally, might I express the view that it is not right to continue to imprison people under the Criminal Code for failing to pay fines. A person with money, a person with a position, has no trouble; another fellow, a man who does not have a job, goes to jail. There are many people presently serving sentences who did not have enough to pay a fine. Most of them are native Indians whom it was completely unnecessary to send to jail. I think it is time we amended the code to give those who cannot pay fines under the present system an alternative opportunity to compensate their victims or repay some kind of debt to society.

Again I should like to congratulate the hon. member for Egmont for introducing in this House a subject which, though unpopular, is very important to the health of our society. I hope that the bill will not be talked out; it could be amended in committee with respect to the technical objections raised by the hon. member for Lafontaine.

Mrs. Ursula Appolloni (York South): Madam Speaker, in discussing any matters dealing with the inmates of penitentiaries we must be careful to avoid any atavistic impulse to punish and, indeed, to overpunish offenders. In fact, in what I like to think of as a more enlightened society it is imperative to steer a course well clear of a vindictive and punitive approach to prison reform. Our main emphasis must be rehabilitation and reformation. It is also important that while aiming at these goals we do not allow ourselves to become permissive to the point of exaggeration.

We must bear in mind that these people have not been convicted because they respected the laws of this country but because they defied them. In this context I would quote the Canadian Bill of Rights which affirms that men and institutions remain free "only when freedom is founded upon the respect for moral and spiritual values and the rule of law." Our society, through the concept of parole, now gives prisoners the opportunity to prove their new respect for its values and the rule of law. Indeed, I believe those on parole are given the right to vote. This is an enlightened approach to penology and I welcome it.

The hon. member for Egmont (Mr. MacDonald) raises another point with which I find myself in considerable sympathy. He refers to the degree of crime and the degree of punishment. It might well be that we ought to review the wording of that clause. I do not think, for example, that I would readily grant the privilege of voting—and it is a privilege—to anyone who committed treason, that is to say an act by which the guilty party sought to destroy our country. Then again it would seem pointless to give the vote to anyone serving a life sentence, for the reason that he is permanently removed from society and is therefore unable to improve it. I would be inclined, also, to include drug pushers in this category on the ground that, in their greed for money, they destroyed minds and in so doing the very fabric of society.

There are those, however, who are guilty of lesser crimes not so much by deliberate choice but by force of circumstances. I would use every means in our power to help these people in their rehabilitation, although I am not convinced that granting them the right to vote while still in prison would in itself facilitate the rehabilitation process.

My main objection to the Bill is, however, more ethical than legal. Clause 20 of the Canada Elections Act states that anyone who is qualified as an elector may be a candidate—I must say that if one of the people we are considering were elected I could foresee some interim difficulty in his taking his seat.

Some hon. Members: Oh, oh!

Mrs. Appolloni: We would also have to look closely at the question of the compilation of the voters' list which is, of course, a public document. I feel this could cause real hardship and embarrassment not only for the inmate but for his family, especially where publicity surrounding the initial trial has long since been forgotten.

I am also concerned as to how we would determine the residence of an inmate for voting purposes. In the absence of special procedures for determining the ordinary place of residence the results in some constituencies might well depend upon the inmate vote, and I do not believe this would be desirable.

I feel I would be remiss if I did not draw attention to another and perhaps more pressing problem. Others among us cannot exercise the right to vote because of the sheer complexity of our system of proxy voting. I refer to the elderly and to the severely disabled. I stress that these are not people who have deliberately chosen to live on the fringe of society. Indeed, all too often they have paid an inhuman price for their very contribution to our society. Yet, as I said, the very complexity of our proxy system all too often denies them their rights and always denies them their right to a secret ballot. For the sake of these people I urge the adoption of a mail ballot system.

● (1750)

In conclusion, although I agree in principle with the spirit of penal reform as expressed in this Bill, I do not agree that this Bill is suitable legislation.

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Madam Speaker, I had not intended speaking in this debate but feel compelled to make a few remarks in opposing this bill. The bill before the House seeks to amend the Canada Elections Act, which is probably one of the oldest acts on our statute books. It seeks to enfranchise prisoners. I point out that a prisoner is disenfranchised because he cannot fulfil certain functions. For example, he cannot be an elector, since an elector can hold office. How can a person serving time in prison hold office and perform the duties of office? As the hon. member for Lafontaine (Mr. Lachance) asked, what would be the address of a prisoner holding office, assuming that is possible? If this bill were to pass, certain prisons could become constituencies and Madam Speaker might be called on to recognize "the hon. member for Millhaven". Millhaven happens to be in my constituency.

The hon. member for New Westminster (Mr. Leggatt) said prisons are places of horror. That is not altogether correct. At certain times and under certain conditions, for instance if there is trouble in penal institutions, prisons may become places of horror. But Millhaven, which is certainly one of our most modern prisons built with the most up-to-date concepts in mind, is not normally a place of horror. A prison like that can be a place of harmony and bring profit to those serving time in it, as well as to guards and members of the administration.

The hon. member for Lafontaine also made the point that prisoners are not non-persons. Nobody says they are. On the other hand most of us think that convicted prisoners must lose some of their rights, such as the right to personal liberty, to family association, and the right to the franchise, in accordance with the provisions of the Canada Elections Act.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, will the hon. member permit a question?

Mr. Alkenbrack: There are only a few more minutes left, Madam Speaker, but very well, I will accept the hon. member's question.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, in view or comments made a moment ago and again recently by the hon. member, may I ask him if he is aware that in Manitoba, in the first provincial election after the 1919 strike, certain persons—I believe there were three—were elected while in prison? They walked out of prison and into the legislature. One of them later became mayor of the city of Winnipeg.

Mr. Alkenbrack: That was certainly to the later credit of those persons and to him who became mayor. Of course the hon. member comes from Winnipeg. There must be some reason behind the fact that certain people were elected in prison, and then walked out of prison and took their seats in whatever body they had been elected as members. I imagine that the present provisions of the Canada Elections Act did not apply. I do not know why this happened. The provisions of the act could not have applied, or what happened would not have been possible.

The Canada Elections Act is on our statute books, and has remained there for a number of years, obviously for a good reason. I oppose the enfranchising of prisoners. I cannot see any advantage at this time in enfranchising prisoners; neither can I see any advantage in paying them the minimum wage which this Government proposes to do soon. We are told this is only an experiment. I think it is an experiment which is being conducted at the expense of the citizens of Canada who have been able to stay out of prison and retain their freedom. May I call it six o'clock.

The Acting Speaker (Mrs. Morin): As the hour appointed for private members' business has expired, does the House agree that we should revert to committee of the whole, and then call it six o'clock?

Some hon. Members: Agreed.

[Mr. Alkenbrack.]

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

The House resumed consideration in committee of Bill C-49, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mrs. Morin in the chair.

The Assistant Deputy Chairman: As it is six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Chairman: When the committee rose, clause 4, with an amendment proposed by the hon. member for Qu'Appelle-Moose Mountain, were under consideration.

Mr. Cullen: Mr. Chairman, I did not know word had gotten around that I would be speaking on this particular amendment. The interest is somewhat surprising. I know that on other occasions I have looked at the other side and have seen only the member speaking, the leader and few others.

I want to respond to a comment made this afternoon by the hon. member for Edmonton-Strathcona. I think he missed the point when he alleged that the Petrosar project would somehow be detrimental to the development of the petrochemical industry in Alberta.

Mr. Andre: Mr. Chairman, I rise on a point of order. I do not think the Petrosar plant has anything to do with the amendment on which we are now ready to vote.

Mr. Cullen: Mr. Chairman, I see the hon. member for Calgary Centre did not pay as close attention to the debate this afternoon as I did. I am somewhat surprised, because it was one of his members who raised the Petrosar project and the development of the petrochemical industry. I thought he was in error, and that is why I intend to respond to his comments.

Some hon. Members: Oh, oh!

The Chairman: Order, please. The Chair is having difficulty hearing the parliamentary secretary.

Mr. Cullen: I thank you for your courtesy, Mr. Chairman, which you have seen fit to extend to me. Unhappily, it is not coming from—

Mr. Roche: Mr. Chairman, I rise on a point of order. If the parliamentary secretary intends to kill 15 or 20 minutes waiting for his colleagues to return from dinner, would he mind not responding to just one sentence from my speech today and answer some of the real questions raised this afternoon? Would he answer my question as to how the Minister of Finance can reconcile his position as chairman of the IMF committee, trying to cushion the effect of petro dollars, with his responsibilities in pushing

through this bill which will do so much damage to the development of regional an economic expansion in Canada?

The Chairman: Order, please. The hon. member will agree that the point he is raising is far from being a point of order. If he wishes to argue some of the implications of the legislation, he will be invited to take the floor after the parliamentary secretary has completed his remarks.

Mr. Cullen: I thank the hon. member for Edmonton-Strathcona for his intervention. I did intend to deal with other aspects of his address. He made specific reference to Petrosar. I thought he did it in a serious vein, without filibustering and wanted some comment from this side on this subject. It seemed that through his comments he was doing precisely what he said he did not want the government to do, namely, to act in some form of divisive way.

The hon. member's argument could have had some merit back in 1967 or 1968 when the petrochemical industry decided there was not room for a world-scale plant in Canada and Canada could not support it. As a result of the problem that was faced by the petrochemical industry, I am happy to say that the then minister of industry, trade and commerce, the Hon. Jean-Luc Pepin, established a committee to look into the problems of the petrochemical industry as they affected both western Canada and eastern Canada. Coming out of that was an excellent report which, as the president of Petrosar said only recently, indicated there is now room, and by the end of the 1980's will be room for three world-scale plants in Canada, including the one in Sarnia, Petrosar. The Dow-Dome operation, or something comparable to it, should be built in Alberta. There will be spin-off industries from that.

I do not think there is any necessity to fight among the petrochemical companies or the provinces. I think adequate opportunity will be given the petrochemical industry to develop. For hon. members to say we should not have Petrosar because it will not operate to the benefit of the petrochemical industry in Alberta is just not in accordance with the facts. The hon. member had better update his history of the petrochemical industry and read what is said by the people involved in that particular enterprise.

● (2010)

The other question raised by the hon. member had to do with how the Minister of Finance could dovetail his approach in Canada with the one he has had to adopt at the International Monetary Fund. The minister handled that question this afternoon. I think the hon. member was in his seat when the Minister of Finance responded, and I think responded appropriately. The problem is that the OPEC countries have these many billions of dollars which in some way have to be recycled. We are facing a situation where a province has many millions of dollars in its coffers, appropriately enough, and we have to decide how to handle them. It is the responsibility of the federal government to see the money is used not only to the advantage of Alberta but also that it is not used to the disadvantage of other provinces or to the disadvantage of the Canadian economy. Surely that is the minister's role as Minister of Finance.

Some hon. Members: Hear, hear!

Some hon. Members: Question.

Mr. Cullen: I thought for the moment, Mr. Chairman, that another cabinet minister had walked in. I knew they were very popular, but I did not realize how popular. It must have been a good party over the supper hour.

The hon. member for Edmonton-Strathcona misses the point if he feels that the stance taken by the Minister of Finance in Canada and that taken by him at the International Monetary Fund are not consistent. In point of fact we have the advantage of a Minister of Finance who operates, and is asked to operate, as the chairman of an interim committee in the field of international economics. Not only does he chair this committee but he chairs what is probably one of the most important and strongest committees in the international economic field. This is not only to his credit, but in a vicarious way all Canadians can take pleasure from the fact that a Canadian minister of finance was asked to chair this particular interim committee. I have enjoyed the privilege—

Mr. Baldwin: On a point of order, Mr. Chairman, I think we have had a very useful, instructive and entertaining debate on this issue, or we did until about 15 minutes ago. We are now ready to have this matter tested in this committee.

Some hon. Members: No.

Mr. Andre: You people are holding up the committee.

Mr. Macdonald (Rosedale): What arrogance.

The Chairman: Order, please. The Chair also has a point of privilege; it would like to hear the hon. member for Peace River.

Mr. Baldwin: I want to say to the Minister of Finance, and to those other hon. gentlemen who are intervening in this debate, that we are prepared to bring this matter to a vote. However, if they are determined to continue this debate, it may continue for some time. I want to say the decision rests with them.

Mr. Macdonald (Rosedale): More threats.

[*Translation*]

Mr. Blais: Mr. Chairman, I rise on the same point of order. Now that he is back fit and fresh for work, the hon. member for Peace River wants to pose as an authority on the time we spent considering this bill. I would like to indicate to him that, during his absence, when there was no leader to conduct the debate in the House, we were giving Bill C-49 in-depth consideration—

The Chairman: I understand very well, but still—

[*English*]

Two wrongs do not make a right. I think the hon. member's point of privilege is no more valid than the one raised by the hon. member for Peace River.

Mr. Cullen: Mr. Chairman, I am somewhat surprised at my hon. friend from Peace River. He has not enjoyed the advantage I have had of sitting here and listening to all

the speeches from the other side of the House on almost every clause. I was moved on more than one occasion to interject a comment but I bit on my tongue. I listened very carefully to some of the suggestions made on the other side, some of which reflected in appropriate amendments.

Mr. Baker (Grenville-Carleton): Let us get on with the vote.

Mr. Cullen: Having extended that courtesy, as I have over this long period of time, I think one should be entitled to make a few comments on some of the representations that have been made.

Some hon. Members: Hear, hear!

Mr. Lawrence: You have been up for 20 minutes now and you have not said anything yet.

Mr. Cullen: Once again, Mr. Chairman, the hon. member for Northumberland-Durham, who is half asleep, says that I have not said anything. I thought we would hear from the hon. member again. In view of the pressure of the public press I thought we would have him bounding to his feet asking more questions on allegations that are unfounded.

I think that the department, through the Minister of Finance, has endeavoured to listen to each and every address. The minister responded this afternoon to many of the questions raised, not only by those who are making such noise now but by the quiet members of the New Democratic Party who asked questions and, I think, were sincerely looking for answers. This afternoon the hon. member for Sault Ste. Marie was so stunned at the excellence of the responses that he nodded his head in agreement with the minister, indicating that he was correct in what he said.

Mr. Douglas (Nanaimo-Cowichan-The Islands): That is what astonished him.

Mr. Cullen: The problem is that hon. members are not prepared to listen. We sat here for two weeks, and when the minister was responding that hon. member was sitting in his seat. It will come as a surprise to no one, Mr. Chairman, that I intend to vote against the amendment proposed by the hon. member for Qu'Appelle-Moose Mountain. Surely what the industry is looking for is the passage of this bill so it can live and work with it. There are many advantages built into the bill, something which even the industry is prepared to concede, even though members opposite are not.

● (2020)

We have moved a series of amendments, many of which have been technical, but I suggest with respect that if this amendment moved by the hon. member for Qu'Appelle-Moose Mountain is allowed to carry the industry will again wonder where it stands. If we pass this bill and do not proclaim these clauses until some date after April 15, what will be the situation? If we proclaim the clauses after April 15 does the effect go back to the May 6 budget or the November 18 budget, or just what will be the situation? How are these energy companies and producers supposed to operate in this state of limbo, wondering where they stand, how they should plan, what the provinces will do, and what the federal government will do? Surely the industry deserves better than being left in the kind of limbo suggested by the mover of this amendment.

Mr. Blais: Mr. Chairman, I rise on a point of order.

Mr. Nowlan: You have got your trip, what are you working on now?

Mr. Blais: Mr. Chairman, I would hope that your ruling of sometime ago, which somewhat shortened my intervention on the point of order being discussed by the hon. member for Peace River, was not the result of some preference to a member with the seniority of that hon. member for Peace River. I do not intend to allege that, but I wanted to point out that I thought that the point of order was not well taken. In my riding the people are beginning to feel that the delay tactics we have watched during the debate on this bill are now turning against those who are using them, and they are now trying to rush the bill through the House.

Mr. Baldwin: Mr. Chairman, now that the government whips have awakened all the halt, the lame, the blind and the others on that side who have spoken to hold up these proceedings long enough to get a majority, let us get on with the vote and get done with this matter.

Some hon. Members: Hear, hear!

Mr. Cullen: Mr. Chairman, I should have recognized that something was up when I saw that unholy alliance being formed when the hon. member for Calgary South was talking with the hon. member for Nanaimo-Cowichan-The Islands this afternoon.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): I rise on a point of order, Mr. Chairman.

The Chairman: Before recognizing the parliamentary secretary I must advise the Parliamentary Secretary to the Minister of Finance who had the floor, of the fact that his time has just expired.

Mr. Guay (St. Boniface): Mr. Chairman, in view of the comments—

Mr. Fairweather: Speak up.

[*Translation*]

Mr. Guay (St. Boniface): Mr. Chairman, I rise on a point of order.

The Chairman: The hon. member for St. Boniface (Mr. Guay) on a point of order.

Mr. Guay (St. Boniface): In view of the comment—

An hon. Member: Speak French!

Mr. Guay (St. Boniface): Mr. Speaker, in view of the comments made by the hon. member for Peace River (Mr. Baldwin) referring to our side—he was present in the House a few moments ago—I would like to bring to the

attention of the House the fact for almost two months he has not attended the sittings of the House.

[*English*]

Mr. Stanfield: Mr. Chairman, may I say quite sincerely that I do not blame the responsible parliamentary secretary for holding the floor until there were enough people here to carry the vote, but I would ask my hon. friends in the House to remember that this, after all, is the parliament of Canada.

Some hon. Members: Oh, oh!

An hon. Member: Isn't that what we were last week?

Some hon. Members: Shame, shame!

An hon. Member: Don't be sanctimonious.

Mr. Baker (Grenville-Carleton): You're a pinhead, Macdonald.

Mr. Stanfield: Mr. Chairman, with great respect, I am not trying to be sanctimonious. As I said, I do not criticize the parliamentary secretary at all. In fact I should have thought there was something wrong with him had he not held the floor. I just think that things have gone far enough and we should remember where we are.

Some hon. Members: Hear, hear!

The Chairman: Order, please. I think the point made by the hon. leader of the opposition is well taken. Hon. members have as much responsibility in this House and to this country as does the Chair, and I suggest it is not the function of hon. members to ask the Chair to rule on abuses and the extravagance of certain speeches. I think it is the responsibility of every member of the House of Commons to keep up our standards. This is the responsibility of everyone here, whether he sits in the chair or on one side or the other of this chamber.

Mr. McRae: Mr. Chairman, I have been trying now for at least a month or a month and a half to speak on this bill, and I welcome the opportunity tonight to say a few words about resource taxation and the relationship between resources in this country and the federal and provincial governments.

There has been a great deal of small bickering going on in the last six or eight weeks that this bill has been kicking around, but I think a number of things have been missed. It is true that, under the British North America Act, resources for the most part are the preserve of the provinces. However, I think we must begin to think of ourselves in a very different way than we have in the past.

We are told that in the next 10 years capital investment intentions amount to about $107 billion. In today's terms that amounts to the construction of 35 St. Lawrence Seaways over the same period of time. That is why I suggest we cannot afford the luxury in this country of all kinds of separate jurisdictions divvying up resource income. This $107 billion will go into such projects as the James Bay project which will cost $15 billion, the Mackenzie Valley gas pipe line, which is supposed to cost $10 billion, and possibly an oil line which will cost $10 billion or $15 billion. This is what we are really talking about when we have before us bills concerning royalties or taxes in the long term in this area.

● (2030)

I believe firmly that the federal government and the provinces must come together to deal with this large amount of money, which may by now total $120 billion or more. I think that this is what hon. members should talk about in this debate on royalties, the kinds of things that happen when this sort of money is being spent, the kinds of things that are happening, for instance, in the province of Quebec today when simultaneous activities are talking place such as the massive effort in the James Bay area and the preparation for the Olympics in Montreal. The impact of such activities on the construction industry and on capital funds is tremendous.

One must consider that the $107 billion will amount to a doubling of energy capital expenditures over the 10 year period. In other words, 3 per cent will be doubled to 6 per cent of the gross national expenditure. This represents something like 15 per cent of the total capital dollars, and 15 per cent will be doubled to 30 per cent in the course of years in an economy that is fairly tight. This will inevitably create serious problems, and it is to this we should be addressing ourselves.

In my opinion, and I think in the opinion of many people, this $107 billion to $115 billion to $120 billion is a ridiculous sum. Somewhere along the line governments in this country, the federal government representing all the people of Canada, and the provincial governments, must try to reach a consensus. They must sit down and say, "No, we cannot take that route". At some point along the line some of these projects must be cut off. When we are talking about resources, this will be the real crunch.

Let us take a look at some of these projects. Some of them are very important. Syncrude for instance, is absolutely vital. We must have a list of priorities, and I would put Syncrude at the top of the list because we must continue to develop oil where it is found. Some of the other projects, such as the nuclear enrichment plant, I would put low on the list because it is of little merit to Canadians. Another project, such as the diversion of the Churchill River into the South Indian lake, I would put very low on the list, especially if the mighty Churchill river is to be dried up in the process.

Some hon. Members: What are you saying?

The Chairman: Is the hon. member for Churchill rising on a point of order?

Mr. Smith (Churchill): Yes, Mr. Chairman. I want to clarify one point. It is not the diversion of the South Indian river into the Churchill, it is the diversion of the Churchill river.

Mr. McRae: I was talking about the mighty Churchill river being diverted into the South Indian lake and down into lake Manitoba.

Some hon. Members: No, no, you are still wrong.

Mr. McRae: The mighty Churchill river is being diverted into the Nelson river.

Some hon. Members: Oh, oh!

Mr. McRae: Some projects must be reconsidered on the basis of our need. Do we in effect need that diversion? What will that electricity be generated for? Will it be generated for domestic use or for sale to the United States?

Mr. Epp: You don't know what you are talking about.

The Chairman: Order, please. We are experiencing some difficulty in trying to keep order. The hon. member raised a point of order which the Chair did not hear because of problems with communication. However, I think that if hon. members would address themselves to the Chair instead of directly to one another, it would simplify matters and might bring more progress to the debate.

Some hon. Members: Hear, hear!

Mr. McRae: Mr. Chairman, I would like to suggest one or two things that we must do in order to cut this $107 billion down to a manageable amount. One of my suggestions has to do with the conservation of resources, a matter which has been discussed in the House for the last few weeks. Another has to do with the cutting back of exports. I am not just talking about the export of oil and gas, because this has been dealt with already. I am talking about the export of electricity not only in the pure form but in semi-processed form as in enriched uranium. Somewhere along the line we must take a long look at how we are going to cut this $107 billion.

Some hon. Members: Time is up.

Mr. McRae: I could go on for a long time, but first I would like to ask the minister if he would comment on the long term effects of these royalties and on whether or not he forsees a situation where the federal government will have to cut back on some of the projects. I would like him to comment also about working with the provinces and sharing the results of these royalties with all Canadians.

Some hon. Members: Question.

Mr. Smith (Churchill): As I listened to the hon. member for Fort William I realized that he knows nothing of this subject which he spoke about, namely, the diversion of water in the Churchill constituency. If he did his homework he would know that the federal government is involved in this project, as is the provincial government. I think he should do his homework before he starts running off at the mouth on things that he knows nothing about.

Some hon. Members: Hear, hear!

Some hon. Members: Question.

Mr. McRae: I want to say that I may have been mistaken, but I must say that for two or three years I have been greatly concerned about the Churchill river, and also about the fact that the Indian people in that area have not been given any guarantees or recompense for the flooding. I am also concerned that a mighty river like the Churchill will be dried up.

The Chairman: Order, please. Although part of the question might have been out of order, it is certain that the answer is also.

• (2040)

Some hon. Members: Question.

[*Translation*]

Mr. Blais: Mr. Chairman, I want to deal directly with the amendment before the House—

An hon. Member: Take your time.

Mr. Blais: —because, to my mind, the whole debate, which has now lasted for over 12 days, hinges on this amendment to Bill C-49. Indeed, the amendment, moved by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) is a manifestation of the wishes of the Progressive Conservative members from Alberta.

Mr. Chairman, you will remember that, last year, in 1974, the Minister of Energy, Mines and Resources (Mr. Macdonald) introduced in the House a bill on oil administration intended to legislate, and set up the system agreed upon by all the provinces and the federal government. At that time, the hon. members from Alberta wanted to oppose the adoption of that bill because they feared somewhat the provisions of the Turner budget announced for the month of May.

Once that budget was introduced by the government and the Minister of Finance (Mr. Turner), they opposed the bill on oil administration and the budget because, under the circumstances, neither the bill nor the budget were acceptable to the hon. members from Alberta because those nice gentlemen considered that the federal government was intervening needlessly in a field of provincial jurisdiction. Which was absolutely untrue. And why do I say that it is untrue, Mr. Chairman? Simply because, even though the Progressive Conservatives and the New Democrats have tried again and again to bring the people to their ideas, they failed completely. They have had all the chance in the world, Mr. Chairman, because since May 1974, we have been discussing only these blasted provisions in the House. Since 1974, we have been making legislation only in the interest of the province of Alberta. In spite of all the respect I have for that province and its people, I do not think the House ought to think only of them.

Mr. Chairman, I am sure that if you gave us another fortnight, we would still be discussing this same amendment.

[*English*]

I appreciated the comments of the Chair a while back, that each and every one of us has an obligation to this House. I have been strongly advocating Standing Order 75C to limit the debate in this House—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Blais: Both this piece of legislation, Bill C-49, and Bill C-32, which has been long delayed, are essential for the distribution of wealth in this country and the proper administration—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Blais: I can understand the silence on the part of hon. members from eastern Canada. I can understand that because it is detrimental to their own interests, to refuse to pass Bill C-32 and the provisions of this particular legislation. There is no question that it is because the revenue for transfer payments which are made to the eastern provinces and to other parts of Canada comes in part from the natural resources of this country.

Let no one be fooled about the effect of the resources and the amounts derived from them. The province of Ontario has nearly doubled its tax revenue in the past year as a result of resource taxation and royalties. The province of Alberta has salted away over $2 billion this year as a result of royalties.

Some hon. Members: Oh, oh!

Mr. Blais: If I can shout loud enough I might run for the Tory Party leadership.

Mr. Nowlan: You had better run after the Prime Minister's plane.

Some hon. Members: Oh, oh!

Mr. Blais: That is probably the only way hon. members can distinguish me from the hon. member for Calgary South who, I am told, bears a remarkable resemblance to me—but only in appearance, Mr. Chairman. It has nothing to do with my own point of view and philosophy, I can guarantee that.

I am receiving a lot of assistance from the backbenchers on this side of House. We have been neglected as a result of the irresponsibility of hon. members opposite.

The Chairman: Is the hon. member for Calgary South rising on a point of order?

Mr. Bawden: A question of privilege, but I will withdraw it and let the hon. member continue, Mr. Chairman.

Mr. Nowlan: Just on a very brief point of order, I thought when the hon.member for Nipissing began to speak that he was looking for a pair to cover the fact that he may be away a few days on a trip to the European countries.

Some hon. Members: Oh, oh!

Mr. Nowlan: But now, having listened to him for ten or fifteen minutes, I know that he will be able to participate in the debates even over in Europe, and we will be bound to hear him here.

The only question I wanted to ask the hon. member for Nipissing is whether this fillibuster continues due to the fact that the minister in charge of housing does not yet have his housing bill ready to proceed, or is it because hon. members on the government side have not yet shown up?

Some hon. Members: Question.

The Chairman: Order, please. I really do not want to reflect on any hon. member, and certainly not on the last remark, but I think that the committee should consider the proceedings here this evening. I think hon. members should practise a little more what they preach and I hope that this debate will proceed in a more orderly manner so that the Chair can hear what is said.

Mr. Blais: Mr. Chairman, in view of the indication that the Chair is having a difficult time hearing me, I will try to speak up.

● (2050)

[*Translation*]

The Chairman: The hon. member for Témiscamingue on a point of order or a question of privilege.

Mr. Caouette (Témiscamingue): Mr. Chairman, I rise on a point of order. I have a lot of respect for the hon. member for Nipissing (Mr. Blais) but I think he is mistaken when he suggests the amendment involves people from Alberta only.

Yesterday I read in the House a telegram from my area in northwestern Quebec from Falconbridge mining asking me not to repeal clause 4 of Bill C-49 but to resume consideration after the forth coming meeting between the first ministers of Canada.

Mr. Chairman, I think mining companies in the area represented by the hon. member for Nipissing are exactly in the same case and are asking the federal government to take its time and to meet with the provinces before approving Bill C-49.

The Chairman: Order. The hon. member for Témiscamingue who was recognized on a point of order knows as I do that he could have contributed to the debate in a perhaps more effective way had he waited for the hon. member for Nipissing to complete his remarks. I think hon. members will agree with me that the committee is not making rapid progress tonight. We are hearing points of order and questions of privilege.

As I said earlier, it is not up to the Chair to limit or restrict the right to speak of hon. members but hon. members have as much responsibility as the Chair to ensure that the procedure we must follow and which governs our proceedings be respected, otherwise progress would be impossible.

Mr. Blais: Mr. Chairman, for the information of the hon. member for Témiscamingue I will say to him that there are no mines in the riding of Nipissing, but that is not why I took such a position. Indeed, several industries in my constituency rely on the mining industry.

Mr. Chairman, I do not think that mining companies should be subjected to double taxation. Indeed, an agreement should be concluded between the provinces concerned and the federal government. I entirely agree about

that; readjustments are probably necessary. I have to say so.

However, the hon. member for Témiscamingue who I know is a sincere centralist, a first-rate federalist who has been our defender in Quebec for almost a generation knows that at the federal level the prime responsibility for the good of the community rests with the federal government. When the provincial and federal governments do not see eye to eye, we must as federalists give the benefit of the doubt to the federal government.

I realize that effectively we will find a fair solution to the problem which we are now facing. Still it hardly justifies delaying passage of the legislation under consideration, owing to the interest of some areas of the country while we also find in Bill C-49 some clauses beneficial to our citizens. There are some amendments dealing with registration for the purchase of a house and registration for buying into pension plans. In connection with those bills, my constituents constantly ask me: "What is happening? I want to file my income tax return, but I cannot do so, because you have not yet passed the bill." I answer: "Do not blame us, but blame rather those awful Progressive Conservatives!"

[*English*]

I am glad to have had the opportunity to say these few words. They are essential. I have spent much time in this House because I like this House and the work it is supposed to be doing. But it is not doing that work. As backbenchers we wanted to contribute sensibly to the discussion of this bill. We have not been able to do so because we knew that the need for this legislation was pressing. We wanted to get it out of the House. However, knowing this, members of the opposition took advantage of the fact that we were sitting back wanting to get this piece of legislation through the House.

Some hon. Members: Sit down and vote on it, then!

Some hon. Members: Question.

Mr. Blais: I hear a comment from one of my friends at the back—"Let them know what it feels like!"

Some hon. Members: Hear, hear!

[*Translation*]

The Chairman: I am willing to let the hon. member complete his remarks but I would invite hon. members to stick as much as possible to clause 4.

I must admit, and I hope other hon. members will join me in this, that there is some degradation in the House and that our business does not progress very much. Therefore I invite hon. members, without wanting to hurt anyone, to examine thoroughly the matter before us and to prepare a decision which will perhaps be taken later this evening. Now I recognize the hon. member for Lotbinière.

Mr. Fortin: Mr. Chairman—

[*English*]

Mr. McGrath: On a point of order, Mr. Chairman, the hon. member surely has an obligation to stick within the rule of relevancy. I call attention to Standing Order 34(2). The hon. member's remarks were totally irrelevant to the clause before the committee and we should rule that the committee vote on the question.

Some hon. Members: Hear, hear!

The Chairman: The hon. member's point is well taken. I made the same point even before he raised it. I did not relate it to Standing Order 34(2) but I invited hon. members to pay attention to their own responsibility for the application of the rules and not to leave it only to the Chair. Now that the hon. member for Nipissing has resumed his seat and a number of hon. members have indicated that they wish to take part in the debate, it is difficult for me to put the question. I have to accept the fact that the hon. member for Lotbinière and the hon. member for Nanaimo-Cowichan-The Islands have indicated that they wish to contribute.

Mr. Stollery: I rise on a question of privilege, Mr. Chairman. The hon. member for St. John's East has brought it to the attention of the committee that we on this side evidently did not have occasion to speak about the bill in general in the way we have heard members of the opposition discuss it for the past three weeks.

Some hon. Members: Hear, hear!

Mr. Stollery: We were talking some time ago about taxation. I should like to draw attention to the fact that the taxpayers of Canada have been waiting for a long time now for this bill to pass. I think the hon. member for St. John's East should be ashamed of himself.

Some hon. Members: Hear, hear!

The Chairman: I am sure the hon. member would agree with me that the subject he has just raised is a matter for argument and debate. He may have wished to have expressed those opinions during the past week; tonight might not be the appropriate time to do so.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It is perfectly apparent that the Liberal members of the House do not want a vote to be taken either on the amendment or on the clause, clause 4, in spite of the fact that they say they want to pass this legislation. The committee has been held up for one hour—

Some hon. Members: Three weeks.

Mr. Douglas (Nanaimo-Cowichan-The Islands): —by irrelevant speeches by parliamentary secretaries and those who hope to become parliamentary secretaries.

Some hon. Members: Oh, oh!

● (2100)

Mr. Douglas (Nanaimo-Cowichan-The Islands): The Parliamentary Secretary to the Minister of Finance—

An hon. Member: You are leaderless.

Mr. Douglas (Nanaimo-Cowichan-The Islands): And the hon. member is like Horatio holding the bridge while the government Whip goes out to see if he can arouse the Tuscan hordes from their deep slumber.

I want to comment on some statements the Minister of Finance made in committee. The Minister of Finance should not criticize the opposition if the clause we are debating does not pass this evening or tomorrow.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): We have as much time as the government, and if we cannot carry on this debate in a sane and sensible way, we can wait for another day.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): We will not be intimidated by the howls and jeers of those who had to be dragged in by the neck in order to save themselves from ignominious defeat.

Mr. Andras: What did the hon. member say just now?

Mr. Douglas (Nanaimo-Cowichan-The Islands): I said "in order to save themselves from ignominious defeat."

Mr. Andras: That is what I thought he said.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Before five o'clock the minister answered some questions I asked yesterday. I shall comment on what he said and ask another question or two.

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I point out to the hon. member for St. Boniface that nature gave him a voice, but he need not use it on every occasion, especially when he is sitting down.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a question of privilege—

Some hon. Members: Question!

Mr. Nowlan: Let us bring the television cameras in and capture what is happening on television.

Some hon. Members: Question!

The Chairman: Order, please. I was under the impression that the hon. member for Nanaimo-Cowichan-The Islands had completed his remarks and that is why he sat down.

Mr. Douglas (Nanaimo-Cowichan-The Islands): No, Mr. Chairman. The hon. member for St. Boniface rose on a question of privilege and I yielded him the floor. I was merely pointing out to him that he seems to speak more effectively when sitting down than when standing up. I assume that this is because when he is sitting down he gets concussion of the brain.

Mr. Andras: Would the hon. member mind clarifying that remark.

Mr. Douglas (Nanaimo-Cowichan-The Islands): You keep out of this. The Minister of Finance answered some questions I had asked. I want to comment. First, the minister agreed that royalties paid to a corporation will be deductible, but at the same time royalties paid to a government will not be deductible. He said that the reason is that royalties paid to a corporation are paid as a result of a contractual agreement. He also agreed that royalties paid to a foreign government will be deductible, but that royalties paid to a Canadian government will not be deductible. The reason, according to the minister, is that foreign royalties are usually paid on a flat rate. They are not always paid that way, I point out. This legislation does not provide for royalties collected by a provincial government on a flat rate to be deductible.

I am glad the minister made one point clear concerning the Syncrude agreement. Actually, a number of points are now clear. It has taken weeks of prodding to get all the information regarding Syncrude which ministers have made available. First, we struggled to discover if the agreement was open ended, or if it was limited to a commitment of $300 million. Now we know that it is open ended and that the government is committed to pay 15 per cent of the cost, not matter whether the cost is to be $2 billion or, as the Price Waterhouse report suggests, possibly as much as $2.9 billion.

Mr. Macdonald (Rosedale): That is false.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The minister had lots of opportunity to participate in the debate.

Mr. Macdonald (Rosedale): I have already answered that in the House. Do not try to obscure the matter.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I can understand the minister being excited. If I had been taken in by the sort of bunkum he swallowed in entering into the agreement, I would be excited too.

Mr. Macdonald (Rosedale): You know what you are saying is false. You know you are speaking a falsehood.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The minister knows perfectly well that the Price Waterhouse report estimates that the cost can go as high as $2.9 billion.

Mr. Macdonald (Rosedale): That is not what we are paying for. That is not being paid for by this government.

Mr. Douglas (Nanaimo-Cowichan-The Islands): We don't know what this government is paying for.

Mr. Macdonald (Rosedale): We do.

Mr. Douglas (Nanaimo-Cowichan-The Islands): All the minister has to do is table the agreement, let us have the agreement, so that we can know exactly what the people of Canada are paying for.

Mr. Macdonald (Rosedale): You know that already.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The fact is the government entered into the agreement without knowing all it had committed itself to.

Mr. Macdonald (Rosedale): That is not true.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It did not know all the conditions. The companies, having suckered the ministers into signing the agreement, are now tightening the screws and the ministers don't know what they have committed themselves to.

Mr. Macdonald (Rosedale): That is another falsehood, a contemptible falsehood.

Mr. Douglas (Nanaimo-Cowichan-The Islands): What did the Minister of Finance tell us? He said that the partners in Syncrude, Imperial Oil, Gulf Oil and Cities Service, will be able to write off their investment against their other earnings. This is a strange attitude, in view of the minister's attitude last night. Last night he said, as reported at page 3516 of *Hansard*—

Mr. Andras: Are we up to that number?

Mr. Douglas (Nanaimo-Cowichan-The Islands): If the minister of immigration and resources—

Mr. Macdonald (Rosedale): Now who's excited?

Mr. Douglas (Nanaimo-Cowichan-The Islands): If the great Minister of Manpower and Immigration would do a little work on unemployment insurance, he would be much more useful than he is now; he's sitting there and chattering about something he knows nothing about.

As recorded at page 3516 of *Hansard* I asked the minister the following:

In other words, will Imperial Oil, Gulf Oil and Cities Service be able to write off their Syncrude investment against their other operations?

Then I said, "The minister shakes his head."

An hon. Member: It rattled. He shook it in the negative.

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Chairman, of course I shook my head. I agree with the hon. member. He said I shook my head, and he could hear it from where he was sitting, the implication being, that I had a screw loose which needed tightening, or something like that. The point is the hon. member did not say whether I shook my head negatively or affirmatively. He cannot read that into *Hansard*. I gave him a clear answer today.

● (2110)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Chairman, let it then be put on the record that when the minister shakes his head from side to side he means yes, because yesterday he certainly shook his head from side to side. However, today it will be clearly on the record.

The minister has now said that Imperial Oil, Shell Oil and Cities Service will be able to write off their expenditures in Syncrude from their other operations. The Canadian people should know that. They should know that the three governments are going to put up together in equity and a $200 million loan from Alberta some $800 million. The province of Alberta will put up between $500 million and $600 million for a pipeline and power plant. Over a period of four or five years, the three private partners in Syncrude will be able to write off their investment from the profits they make. This means that nearly 50 per cent of that writeoff will be paid by the taxpayers of Canada. That is what they should know.

The people of Canada will probably pay 80 per cent of the cost of the Syncrude project, and they are going to own 15 per cent. The Syncrude partners, apart from the governments of Alberta and Ontario, will own 70 per cent of the project. That is what should be known.

I would like the Minister of Finance, who is a very able financier and very competent in his field, to tell the House if he thinks it is a good deal for the people of Canada through increased prices, loans and grants from the respective governments and through tax writeoffs to put up most of the money, and the three oil companies in question are going to have 70 per cent of the profit.

Mr. Macdonald (Rosedale): That is not true and you know it.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The Minister of Energy, Mines and Resources keeps mumbling in his seat. He is much more effective in his seat than on his feet. I suggest he get into the debate and tell the House what are the facts.

Mr. Macdonald (Rosedale): I have told them, but you misconstrue them. You tell falsehoods.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The other point that comes to mind—

Mr. Macdonald (Rosedale): Tell the truth now.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I am telling the truth. The truth is the minister is so mixed up he would not know the truth if he met it in broad daylight.

Mr. Macdonald (Rosedale): You know the truth.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In addition to all these handouts, the Syncrude partners are going to be guaranteed the international price for the oil they sell, which at the present time is about $11.70 a barrel. That fits in very well with what the Minister of Finance said this afternoon.

When the Minister of Finance was replying to the question as to whether the revenue from the export tax would be taken into consideration in computing the federal government's share of tax revenue from resources, he said no because the export tax would diminish as the domestic price gradually rose to the international price.

There we have it in a nutshell. I ask the minister is it now government policy to move steadily toward the international price? Surely that is in line with the commitment that has been made with the Syncrude partners. It is in line with the steps the Minister of Energy, Mines and Resources has been taking, that the government has now committed this country to moving steadily toward the international price. The lower domestic price of $6.50 a barrel, from which the oil companies have made exorbitant profits, is to be abandoned. That was merely a gimmick of the minority government days.

I want to ask the Minister of Finance if he would answer the other question which I asked him. He did not

deal with it today. In his letter to the Syncrude partners the minister committed himself to keeping legally the commitment which he made with respect to deductibility of their royalty payments and other payments to the province of Alberta. Yesterday I asked the minister how he proposed to do that. So far he has not introduced any amendment in the course of the passage of this bill through committee of the whole.

Does the minister propose to do this by using the Financial Administration Act? If so, does he propose to do that annually? By what means is he going to keep that commitment? The minister made a commitment, not just on his own behalf but on behalf of the government, which involves very large sums of money. Surely this House, this committee and the people of Canada have a right to know how he intends to keep that commitment. How is it going to be kept? Will it be done legally, or does the minister propose to go around the back door by orders in council which have had a very dubious history in the past of making rebates which are very difficult to assess properly. Is that how the minister proposes to do it?

The minister ought to tell us at this time the method he intends to use to ensure that the commitment he has made to Imperial Oil, Shell Oil and Cities Service will be carried out in a proper, legal and parliamentary manner.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I can give an undertaking to the hon. member that it will be carried out in a proper manner. The Minister of Energy, Mines and Resources and I said that the Syncrude operation was carried on its merits. The only exception from the present budgetary regime is the deductibility of royalties. However, future arrangements will have to be considered on their merits. Because of that position, we are considering the ways in which to implement it, either by a bill under the Financial Administration Act, or in some way reportable to the House of Commons. I tell the hon. member quite categorically that the only distinction is the deductibility of royalty provisions. All the other provisions of the law apply across the board to the Syncrude arrangement.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Hon. members seem to be in a great hurry to vote. They were not in that hurry at eight o'clock, so why now? I want to ask the Minister of Finance if he is telling this committee of the whole that he, the Minister of Energy, Mines and Resources, and the President of the Treasury Board have made a commitment to guarantee the three private partners in the Syncrude project that their payments to the Alberta government will be deductible for income tax purposes, without any clear idea how he proposes to do that? Surely the minister must know how he is going to do that. Surely the place to do that is in this bill or by a special bill. The minister should tell the committee of the whole which of those two methods he intends to use.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have been entirely specific with the committee and the hon. member. It is not merely deductibility of royalties. In this particular situation we are dealing with a joint venture or partnership. The proportion of the revenue of that partnership attributable to the government of Alberta, the government of Ontario and the government of Canada will not be attributable to the other three parties in the arrangement. That is how the deductibility feature is fulfilled. It can be remitted either under the Financial Administration Act or by a special appropriation of parliament. In any event I have clearly defined the limits of the situation and of the government's commitment for the committee.

● (2120)

[*Translation*]

Mr. Fortin: Mr. Chairman, the Minister of Finance (Mr. Turner) took a rather clear stand on this bill. We know that this bill, dealing with natural resources, entails some problems of interprovincial and federal-provincial nature.

Mr. Chairman, I should like to put a question to the Minister of Finance. As a federal-provincial conference will soon be held at which natural resources and energy generally will be dealt with, perhaps after this bill has been passed, can the minister tell us whether clauses 4(2) and 4(5) of the bill are an integral part of the negotiations with the provinces, or whether his proposals to the provinces, on the conservation and use of energy, are separate questions?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, some of the provisions of this bill deal with conservation. In the excise bill, that was introduced before this bill, a special tax was levied on motorboats, private aircraft, etc. In the bill before the House, means are found to share the proceeds from the development of our natural resources, and the energy conservation program depends on other measures which are not contained in that part of the bill.

Mr. Fortin: Mr. Chairman, may I ask the Minister of Energy, Mines and Resources (Mr. Macdonald), who honours us with his presence, if he can tell us whether the royalty tax repealed with respect to oil companies is an essential condition of federal-provincial negotiations to come in order to make the federal government's position clear with regard to those negotiations, or whether clauses 4(2) and 4(5) are incidental to those negotiations and not essential to the progress and finalization of this debate?

Mr. Macdonald (Rosedale): Mr. Chairman, I must tell the hon. member that those items play an essential part in the federal position. It is a fundamental condition of our situation to the effect that the federal government must get a certain level of revenue in view of the increase in provincial taxes.

An hon. Member: How many times did you attend the debates since the beginning of the month?

Some hon. Members: Question!

Mr. Fortin: Mr. Chairman, I can understand hon. members opposite wanting to rush the passage of this bill, but I would like to investigate this matter thoroughly. If you want to make me lose time, I can play the same game as you do. Go on, enjoy yourselves!

Mr. Chairman, now that we have silence, I will ask my question. Since the minister just said that passing subclauses (2) and (5) is an essential condition, I will not question his answer. I would now like to know, in case

this House would pass the bill, whether the minister can give us some indications of the federal government's position with regard to eastern provinces as far as consumption and preservation of Canadian energy is concerned?

Mr. Macdonald (Rosedale): Mr. Chairman, this is a very broad question, but I must say that we have the same acts with respect to minerals in eastern and western Canada, and we must get a minimum amount of income taxes at the federal level. It is then up to each provincial government to determine the level of taxes for each province. For that reason, taxes are higher in Ontario for instance, than in Quebec.

Mr. Fortin: I am very grateful to the Minister of Energy, Mines and Resources for his reply. He is apparently willing to co-operate. Therefore, for my own information, I should like him to tell me whether, before the introduction of Bill C-49, he discussed the application of clauses 4(2) and 4(5) with the Quebec minister of natural resources, and since Progressive Conservative members appear eager to defend mainly the interests of Alberta, I feel it is my duty to defend those of eastern Canada. I suggest that the minister's reply at this time will weigh heavily on my vote.

Mr. Macdonald (Rosedale): Mr. Chairman, my colleague the Minister of Finance had discussions with his provincial counterparts. As far as I am concerned, I have met with the provincial ministers of mines and the Quebec Minister of National Resources, after my colleague's speech of November 19—but before the bill was introduced. Therefore, the talks were held before the introduction of the bill but after the budget speech.

Mr. Fortin: Mr. Chairman, thank you for your courtesy and patience.

Does the minister mean he obtained explicit agreement from the province of Quebec and the eastern provinces as to the contents of clauses 4(2) and 4(5) of the bill before us, and if not, does the minister expect this agreement will be forthcoming during the next federal-provincial conference?

Mr. Macdonald (Rosedale): Mr. Chairman, I must state there was naturally no unanimous consent to such projects. There was difference of opinion among the ministers represented, but we indicated this was a basic condition as far as the federal position is concerned. I believe this position is now recognized by every province.

Mr. Fortin: Mr. Chairman, as a last comment I would indicate I am very much disappointed with the inadequate cooperation on the part of, not the Minister of Finance and the Minister of Energy, Mines and Resources, but rather from the Liberal members in general who—

Some hon. Members: Question.

An hon. Member: How often have you been here in this House?

Mr. Fortin: As you wish then, if you want it over at ten o'clock, "straighten your tunes".

Some hon. Members: Question!

[Mr. Fortin.]

The Chairman: Is the committee ready for the question?

The hon. member for Lotbinière.

Mr. Fortin: Mr. Chairman, when a Liberal member rises in this House we, in the Social Credit Party of Canada, have the courtesy and manners to listen. Mr. Chairman, it seems to me that when a member from the Social Credit Party of Canada rises in the House, the Liberal members should display the same kindness we display for them, particularly on such an important subject as oil and energy consumption in Canada. In this regard, they could be teached manners by the Progressive Conservative members, the members of the New Democratic Party and the Social Crediters.

Mr. Chairman, if they do their job superficially, that is their problem. As far as I am concerned, as the representative of Lotbinière, and as far as my colleagues from the Social Credit Party of Canada are concerned, we have the right to know the very elements of the matter. That is why I have asked the Ministers of Finance and of Energy, Mines and Resources to answer me. If the Liberal members had the same concern for professional ethics as the Ministers of Energy, Mines and Resources and of Finance do, this debate would probably have ended long since.

The Minister of Energy, Mines and Resources just said that the provincial mines and natural resources ministers were disagreeing with the federal government's position, which is a normal thing in a sound federalism. Could the minister tell us exactly what the position of the province of Quebec was? In our constituencies of Quebec, we hear all sorts of stories about the bad federal government.

Mr. Chairman, I would be happy if the minister would help members from Quebec do their job and show to their constituents what the federal government really is in relation to the government of Quebec.

Progressive Conservative members have delayed the proceedings of the House, raised points of order and made long speeches. Mr. Chairman, it seems to me that the members from Quebec did not take unfair advantage of the situation, yet it is the people of Quebec who for many years have been the losers in the oil situation in Canada. Mr. Chairman, national unity will be achieved only when all provinces sit around a table to reach a consensus.

Mr. Chairman, that is why I ask the Minister of Energy, Mines and Resources to state the position of the federal government toward the province of Quebec. What exactly was the official position of the Quebec government, if it had one? Is Quebec in favour of or against the bill, particularly as regards clauses 4(2) and 4(5)? Did that government undertake to cooperate with the federal government?

● (2130)

Did the government commit itself to help enforce the act or was it against it?

Mr. Macdonald (Rosedale): Mr. Speaker, we discussed the matter in December and I cannot remember the exact words used by my counterpart in Quebec. As far as I can recall, he pointed out the importance of the matter from a constitutional point of view.

I believe he supported the view expressed by the ministers of other provinces with regard to the constitution. To the best of my recollection, he was not exactly against another position. I think it was really from a constitutional point of view that he stated Quebec's position, but he did not express opinions on my colleague's theory.

Mr. Fortin: Mr. Chairman, it is a shame to witness such disorder in the House!

An hon. Member: That's the way it goes in Quebec City!

Mr. Fortin: Indeed, that's the way it goes in Quebec City.

Mr. Chairman, I would like to put one last question to the Minister of Energy, Mines and Resources. He probably knows that in some ridings of Quebec, but particularly in the riding of Lotbinière which I have the honour to represent, several oil companies are making exploration on enormous oil resources. Would the minister tell us whether these companies will be affected by clauses 4(2) and 4(5), as the companies in the western provinces of Canada will be? Did the minister assess the implication of those clauses on the eastern provinces, where exploration is now being made? Did employees of his department consult with the representatives of the companies, which, in fact, are the same as in the west? Did the minister have any discussions on that matter with his provincial counterpart, the Quebec minister of resources?

Mr. Macdonald (Rosedale): Mr. Chairman, I must say that for the time being and from all our available information, the exploration he mentioned is under the jurisdiction of the province of Quebec, which has no wells, oil or gas resources at this time, be it in the riding of Lotbinière or elsewhere in the province. If such discoveries take place, this law will apply in Quebec as well as in the other parts of Canada. In fact, there may be a 20 per cent federal tax and a provincial levy as established by the provinces. But general taxes in Canada will apply to Quebec as well as to the other provinces.

[*English*]

Mr. Peters: Mr. Chairman, while this general discussion is taking place on Clause 4 and the amendment thereto, I should like to ask the Postmaster General what arrangements he has been able to arrive at in order to handle the delivery of pension cheques. It seems to me that this is a fairly general debate in which the Minister of Finance and other members have taken part, and I do not see why I should not be able to put my question to the Postmaster General.

The Chairman: Order, please. I would hope the hon. member would not substitute himself for the Chair in respect of the matter of relevancy of debate. The Minister of Energy, Mines and Resources was asked a direct question relating to Clause 4. That does not permit the hon. member to ask questions of the Postmaster General at this time.

Mr. Peters: Mr. Chairman, to bring this within relevancy I should like to ask if there are any royalty cheques being handled by the post office at the present time? It may be that some of these companies have sent out their royalty cheques in that unorthodox way.

An hon. Member: And unemployment insurance cheques.

Mr. Peters: Yes, perhaps there are some unemployment insurance cheques in the mail as well, and they are certainly the product of one of these resources we are discussing.

Some hon. Members: Oh, oh!

Mr. Mackasey: I was going to add, Mr. Chairman, that there are no royalty cheques coming from Saskatchewan since they have effectively killed the industry in that province.

Mr. Peters: Mr. Chairman, I have heard little complaint about the health and the wealth of one of the adjacent provinces. Perhaps I could ask if there are any royalty cheques going out in Alberta?

Some hon. Members: Question.

The Chairman: The question is on the amemdment to Clause 4 as proposed by the hon. member for Qu'Appelle-Moose Mountain.

Amendment (Mr. Hamilton (Qu'Appelle-Moose Mountain)) negatived: Yeas, 77; nays, 107.

The Chairman: I declare the amendment lost. Shall clause 4 carry?

● (2140)

Mr. Symes: Will the Minister of Energy, Mines and Resources who is here and who has been answering questions related to resources and to this bill, tell us whether the oil produced by Syncrude will be in any way exempt from any kind of export control?

Mr. Macdonald (Rosedale): No, Sir, it will not.

Mr. Peters: Mr. Chairman, I was interested in the remarks by the hon. member for Nipissing not as related to oil but as related to mineral production. As has already been pointed out by the hon. member for Témiscamingue, a large number of companies have been in touch with members of the House indicating that some of them are really hard pressed to meet the commitment that is demanded in this bill in terms of the double taxation of those companies.

The government has indicated that it does not have too much sympathy for the oil industry and, if it is necessary for the provinces to get a reasonable tax from their resource, then the federal government will take its share anyway. Some charges have been made that as a result oil rigs are leaving Alberta and Saskatchewan. It is my opinion that that is not so. I believe that no new oil development will take place in either of those provinces. All the oil reserves are probably well known.

Some hon. Members: No.

Mr. Peters: Members of the Conservative party are saying that that is not so. Let me ask one of them what he

did with his rigs. He put them on a truck and took them to the United States.

The mining industry finds itself in another situation.

An hon. Member: There is no work there.

Mr. Peters: I always thought that development companies are making work. There are many mineral deposits in this country.

An hon. Member: You are contradicting yourself.

Mr. Peters: If that is my only sin, it is pardonable. There is much development in the mineral field throughout Ontario, Quebec and in the northern parts of the Northwest Territories. These areas can be developed.

I am interested in the answer that the minister gave a few minutes ago, from which it was obvious that he is not interested in any input from the provincial premiers. They might have been able to suggest other ways of engaging in the development without undue taxation being imposed. But he did say that in the case of Syncrude he was going to use the Financial Administration Act. I suggest that if that happens, we will be in a sorry mess in this country.

I can see INCO coming down here, putting on the screws to try to make the government concede. It has many concessions to make, because the total royalty will be a concession. Even if they get part of the royalty, they will have gained. If the minister will exempt them by the simple practice of amending this through the Financial Administration Act, he will be engaging in political football beyond par.

I suggest that the reverse situation might be very interesting. The Minister of Finance may have given his word. He did not give it in the bill because nothing is said about it in there, but he may have given his word that the act will not apply. The Minister of Energy, Mines and Resources might also have given his word. However, those two ministers will not always be here, and surely the Syncrude project is not here for only four years. We expect it to be here for a long time, at least until the end of this century.

If all it takes to change that agreement is to make a change in the Financial Administration Act, then I would be surprised if Exxon or any of the other companies did not divide such a short term agreement on a four year basis. I also suggest that many of the mining companies are extremely limited. As the hon. member for Nipissing said, the mining companies in northern Ontario are extremely limited if the taxation structure is such that they must return to the treasury over 100 per cent of their earnings in the form of taxation to both the provincial and federal governments.

I have never had to carry a brief for the mining industry. We have gold, asbestos, nickel. Almost any mineral you can name has been mined in the district of Timiskaming, but very seldom have I had to make representations to the government on their behalf, with the exception of the gold mining industry.

There is uncertainty in the development industry in nothern Ontario and northern Quebec, both of them areas with which I am familiar. This uncertainty will not end until the federal government and the provincial governments stop their bargaining and come to a conclusion which will not kill the goose which laid the golden egg. This does not just affect the gold mining industry but the mining industry as a whole.

● (2150)

I am shocked that the minister, who has had two or three years to deal with this matter of a fair share of return to the provinces and a fair share of return to the federal government, has not been able to work out an equitable arrangement. What is needed is an arrangement which will not be prohibitive to the exploration and development of additional mineral resources. I suggest that even the oil companies are dependent on the whims of the minister and the political whims which put ministers in their particular portfolios—and move them just as readily. I think it is safe to say that most ministers do not like to stay too long in a portfolio, and I think enough mess has been made of this one.

Whatever decision may come, it will be the decision of the minister who happens to administer the act. It was pointed out by the hon. member for Nanaimo-Cowichan-The Islands, and was repeated by the Minister of Finance, that Syncrude was in a unique position because it had three partners who, I suppose, are not much interested in the problem of royalties because they are governments themselves.

The minister did say that the government was going to allow the participating companies to write off all the profit on that operation. Many have not yet realized it, but Syncrude is a very unique company. Its president spent two hours telling us why Syncrude would never make a profit. It was rather unusual to hear this from a businessman and a promoter. Some of my colleagues said that he was a crook, but I said he is a promoter like some mining people in my area who think they have a good thing and who go out and try to sell it. The president of Syncrude certainly was trying to sell it, but the difficulty was convincing me and a number of other people that this company, with money coming from three or four major oil companies, was not going to make any money.

Yet one of our provinces went into partnership under the law with that company, and stayed in that partnership about two days before it had to withdraw the law because it found that the amount which it had agreed to take in profits was not going to be available. In fact the president was telling us there never could be a profit because, no matter how much money is spent by Syncrude to stay in the game, we have to pay our share. Every oil company has to pay its share, and the oil companies pay the bills and in return receive the product.

But there is in effect no way that Syncrude as an entity can write off any kind of profit because, as a company, it does not exist. As the Minister of Finance said, it is a joint venture or a partnership, or something else, but it is certainly not a normal company. It appears to me there will be a lot of paying on our part and not very much collecting. Any collecting on our part will be in a product which will be difficult for us to handle, and we will have to give it to one of our partners at the regulated price

mentioned in the agreement, the international price, whatever that may be.

We may have to develop the facilities to handle that product ourselves. I suggest that the moneys put into this company under this joint venture will yield huge profits to those companies putting up the money, and the federal government and provincial governments in the joint venture will not take advantage of those same concessions.

Syncrude will go down in history without a doubt as an immense sell-out. My colleague has said it is a greater sell-out than the CPR scandal. I am not sure if it will be in the same league at all. It will be 100 times larger than the CPR scandal, and we will have to stay in it. I think that if we are going to make an exception through the Financial Administration Act of providing rebates to the companies, then we should have no rebate at all. Instead that money should be Canadian money and it should cover the whole operation of that corporation.

If there were ever a good time for public ownership, it is now for Syncrude because it would be in the interest of the public, in the interest of development in an orderly fashion of a totally new form of energy resource for the Canadian people. Even more important, it would keep this government honest and prevent it from having to use exceptions under this act, the Financial Administration Act, or through some other act.

If the government allows an exception in this instance, I suggest that there will be immense pressure on it to allow that kind of exemption for all companies. I suggest that that is not fair or reasonable taxation, and that we should not force this government into it.

I would like to call it ten o'clock and continue my remarks at another time.

Mr. Young: On a point of order, Madam Chairman, since we are just reaching that point, I would like to move under Standing Order—

The Assistant Deputy Chairman: Order, please. It being ten o'clock it is my duty to rise, report progress and request leave to consider the bill again at the next sitting of the House.

Progress reported.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): On a point of order, Madam Speaker, may I ask the government House leader who is—

An hon. Member: Which one?

Mr. Baker (Grenville-Carleton): There is no doubt which one is the leader on this side of the House. In any event, in the spirit of friendship which has prevailed in the House this evening, may I ask what is to be the business for tomorrow?

● (2200)

Mr. Sharp: I had hoped to say that the next order of business would be the Housing Act, because I know the people of Canada are very anxious to get it.

Some hon. Members: Hear, hear!

Mr. Sharp: In the circumstances we shall continue in committee of the whole on the Income Tax bill, and I do hope the House will co-operate in getting it through as quickly as possible in order that we can move on to the housing bill, which will be the next item of business.

Mr. Baker (Grenville-Carleton): May I say that the opposition will not emulate government supporters tonight with respect to co-operation in getting the business through the House.

Some hon. Members: Oh, oh!

An hon. Member: Sit down!

Mr. Baker (Grenville-Carleton): They will find I do not sit down too easily.

An hon. Member: Or shut up!

Mr. Baker (Grenville-Carleton): We intend to co-operate with the government but we have been subjected to a spectacle which has been a travesty of parliament.

Some hon. Members: Oh!

Mr. Baker (Grenville-Carleton): It does not become the government House leader to ask for co-operation on this side, something he has always received, when he has no control over his own supporters.

Some hon. Members: Ten o'clock.

The Acting Speaker (Mrs. Morin): Order.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HARBOURS—HAMILTON HARBOUR COMMISSION—REQUEST FOR ASSURANCE NO MEMBERS OF PARLIAMENT IMPLICATED IN COURT PROCEEDINGS

Mr. Elmer M. MacKay (Central Nova): Madam Speaker, today when I asked the Solicitor General (Mr. Allmand) a question about a transcript at a preliminary inquiry involving the Hamilton Harbour Commission, his answer disappointed me because I felt he was being unnecessarily vague. I realize the Solicitor General has a difficult role to fulfil. On the one hand he must give

guidance and direction to the RCMP, and on the other hand he must not interfere in a purely political sense.

I am tempted to refer specifically to names and events in connection with this transcript but, after much reflection, temporarily I believe it would not be responsible to use my position as a member of parliament to contravene the spirit of the Criminal Law Amendment Act and, by so doing, possibly prejudice the rights of people who have been charged or who may yet be charged. I have thought about this at some length.

I have even considered an interesting case recorded in Ontario Reports of 1971 involving two eminent personages. The case is that of Roman Corp. Ltd. et al. *v.* Hudson's Bay Oil & Gas Co. Ltd. et al. His Lordship, giving judgment, said:

> This is an application by the defendants, the Right Honourable Pierre E. Trudeau (hereinafter called Trudeau) and the honourable John J. Greene (hereinafter called Greene) (a) to strike out certain paragraphs and parts of paragraphs of the statement of claim (b) to strike out the whole of the statement of claim and (c) to dismiss the action against the said defendants.

The ruling was interesting.

> No person can have a judgment awarded against him in civil proceedings arising out of statements made in the House of Commons and this privilege attaches also to extensions of the statements contained in a press release concerning them and a telegram to a person affected by them. Hence, allegations contained in a statement of claim that such statements and their extensions have been made by defendant prime minister and defendant cabinet minister will be struck out under rule 139.

I mention this to show that I have given considerable thought to whether I should give the type of information tonight that I could give. But I am not convinced it would be a responsible thing for me to do. Having said that, I want to say to the Solicitor General that, even taking into account the difficult role he plays in this House, his answers have not been as frank as they might be.

If I may speak again about the transcripts relating to the delicate Hamilton harbour matter, I suggest that the Solicitor General should, if he has not already done so, acquaint himself fully with the contents of these transcripts. I refer him particularly to volume I, pages 118 to 127, and more particularly to that part beginning on line 18 at page 127 and ending at line 12, page 129.

I suggest that the Solicitor General should consider his position as an important law enforcement officer who answers to this House, and act, or cause his colleagues to act with greater dispatch when the public interest requires specific decisions to be made in connection with inquiries.

On December 4, 1974, as recorded at page 1939 of *Hansard*, the Solicitor General, answering a question asked by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) concerning another matter which also involved tapes and investigation, said:

> I have shown the transcript of the tape to certain members of the government, and I discussed it with the Prime Minister as it was my responsibility to do so. This is not a report that should be tabled in the House. I showed certain aspects of the report to the Minister of Labour to determine whether he was in fact involved in such conversations, and he admitted that he was.

When questions arise concerning judicial inquiries and situations involving people who have been charged, people whose rights are specifically protected by the provisions of the criminal law amendment legislation, as incorporated in the Criminal Code, and people who may be collaterally involved because they hold a public position, the government should make every effort to satisfy the House and the country that nothing has been done which may give rise for concern.

[Mr. MacKay.]

For the present, I propose to leave the matter at that. I hope, in the days ahead, more information will be made available by those on the other side of the House and that a decision will be made as to whether the sort of public inquiry which many responsible people feel is necessary will be undertaken.

Hon. Warren Allmand (Solicitor General): Madam Speaker, the case referred to by the hon. member for Central Nova (Mr. MacKay) is one which resulted from an investigation into certain irregularities with respect to dredging contracts in Hamilton harbour. Since the Hamilton Harbours' Commission is subject to federal jurisdiction, the investigation has been carried on by the Royal Canadian Mounted Police.

After more than one year of serious investigation, charges were laid on May 29, 1974, against five individuals, one of whom was a member of the three-man Hamilton Harbours' Commission. The charges—30 counts on 12 informations—were: conspiracy to defraud, fraud, conspiracy to forge, uttering forged documents, and forgery. Three of those charged pleaded guilty and were fined a total of $62,000 on February 5, 1975. Two others pleaded not guilty. Their cases went to preliminary inquiry on October 28, 1974, and they are now awaiting their trial which should take place soon.

In his questions of February 24 and 25 the hon. member for Central Nova asked me questions about the transcripts of evidence relating to the said preliminary inquiry. He asked me if I was acquainted with the transcripts and, if so, could I assure the House that no member of parliament or minister was implicated in the matters under investigation.

First of all I should point out to the House that under the law, under section 467 of the Criminal Code, the evidence at the preliminary inquiry is not to be published or broadcast, in other words, not to be made public. The purpose of this provision is to protect the names of persons who might be mentioned at the preliminary inquiry when they have not been found guilty or even charged with an offence. This is an important provision to protect civil rights. After all, it is one thing for a witness to make statements or allegations; it is another thing to make proof and to be found guilty.

Under the British system of criminal law, a person is innocent until proven guilty, and that proof must be beyond a reasonable doubt. But what is the member for Central Nova and certain members of the press trying to do? They are trying to circumvent Section 467. The law will not allow them to publish the transcripts. Therefore, they are trying to get out the information in the House of Commons so it can be made public through the back door, it appears for the sake of sensationalism and partisan politics, certainly not for the sake of justice.

● (2210)

Let me say this, Madam Speaker: these transcripts of evidence, eight volumes, only became available in part to the Royal Canadian Mounted Police in Toronto a few days ago from the Crown prosecutor and they are not yet available to the force in Ottawa. Since that time I have consulted with the Commissioner of the Royal Canadian Mounted Police about them, and he read to me by telephone those parts where the names of certain political figures were mentioned. I could request the entire transcript and read it once it becomes available, but that will depend on the circumstances. In cases where members of parliament, ministers or senior civil servants seem to be implicated in a criminal or subversive matter then, of course, I would read the evidence in greater detail and report it to the Prime Minister (Mr. Trudeau). However, I would not at that stage of the proceedings make my findings, conversations or advice public.

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

Mr. Baker (Grenville-Carleton): If it would be permissible, Madam Speaker, we would be glad to hear the minister's answer further.

The Acting Speaker (Mrs. Morin): This can only be done by unanimous consent. Is it agreed?

Some hon. Members: Agreed.

Mr. Allmand: Thank you, Madam Speaker. I thank hon. members of the opposition. This is a serious matter. I will take only another minute.

The hon. member for Central Nova has asked me to tell the House that no member of parliament or minister is implicated in the Hamilton Harbour case as a result of the preliminary inquiry transcripts. I can say that, at this time, there is no evidence to lay further criminal charges against anyone. I will not say more about the transcripts because I think to do so would be contrary to our general principles of justice and, in particular, to the principles in Section 467.

In the Hamilton Harbour case a thorough criminal investigation has been carried out by the Royal Canadian Mounted Police. Criminal charges have been laid against five persons. Three have been found guilty, two are going to trial and a further investigation is still possible.

Furthermore, the assessment of evidence and the decision on prosecution are under the attorney general for Ontario and his crown prosecutors. Thus far they have deemed it proper to charge only five persons. If there are to be further criminal charges and prosecutions, then that will be their decision with the Royal Canadian Mounted Police, not mine.

In any case, I am quite prepared to let justice take its natural course and will not, at this stage, do anything which might be prejudicial to innocent persons or contrary to the principles of our criminal law.

Adjournment Debate

HARBOURS—HAMILTON HARBOUR COMMISSION—DOCUMENT SERVED ON MINISTER OF LABOUR TO AUTHORIZE SEARCH OF OFFICE

Mr. Eldon M. Woolliams (Calgary North): Madam Speaker, in my position as the chairman of my party's justice caucus, I asked certain questions today of the Minister of Labour (Mr. Munro). I would say at the outset that in addition to being responsible for labour this minister, as does every minister of the Crown, has certain other responsibilities. He has responsibility as a member of the House and responsibility in his position as Minister of Labour.

If there should be any suggestion that there is any inpropriety, it is up to the Prime Minister (Mr. Trudeau) and the Solicitor General (Mr. Allmand) to make certain observations and carry out certain research work.

I just want to review the questions I put today. I put them as gently as anybody could. At that time I asked, "Mr. Speaker, I wish to ask the Minister of Labour whether he was served with any documentation at the time the RCMP allegedly had authority to search his office? Was the minister served with an affidavit or any other documentation which led to the authority for his office being searched sometime during the election?"

As I understand it, the RCMP entered his office in Hamilton during the election.

The minister answered in this way, "Mr. Speaker, the RCMP did come to my office. They had a document, but it did not pertain to my particular office. In any event, I gave them access to what they wanted."

We have no information as to what they asked for or why they were there.

Then I asked a further question, "Has the minister seen any documents which gave the RCMP authority to search his office and take certain files or whatever else they did at that time? Has the minister read any documentation which the RCMP had or which was filed in the court house to give the RCMP that authority?"

The minister replied, "Mr. Speaker, I do not think anything was filed in the court house because the documentation was not applicable to my particular headquarters. I just saw what they had. They agreed it was not applicable."

The question I want to put to the minister now is this—I will come to the procedure under the Code in a moment or two—is the reason that the documents were not filed in the court house because the minister said they did not pertain to his office?

I then asked the minister, "Do I take it that no search was made of the minister's office because the authority they had did not pertain to the office of the Minister of Labour or any material or documentation the minister may have had? Also, did the minister read what the RCMP had in their hands which gave them some authority, either in his office or that of someone else?"

Then there was this very unusual answer, "Mr. Speaker, they wanted permission to look at documents in my office, the contents of which I was really not aware. They were in cabinets. I gave them permission to go ahead—"

The minister never read the documents that the RCMP had in their hands, although to the hon. member for Hamilton-Wentworth (Mr. O'Sullivan) he said he had.

I should now like to refer to the Criminal Code. If the RCMP did not have any authority, I would ask the Solicitor General, who is in charge of the RCMP, to make an investigation in order to protect the Minister of Labour. But if the RCMP did have authority, what did they have to be armed with? Section 443 makes it very clear:

A justice who is satisfied by information upon oath in Form 1—

I do not have time to get into a discussion of Form 1.

that there is reasonable ground to believe that there is in a building—

—and that in that building are documents which might lead to some impropriety or illegality, in which case they would then be armed with an affidavit and a search warrant. Either the RCMP had the documents and the minister knows, or if they did not have the documents the Solicitor General should then inquire why the RCMP acted illegally against one of the ministers of the crown.

I speak tonight as a member of parliament, not as a Conservative speaking against a Liberal. If the RCMP did not have the proper documents, then the Solicitor General has a responsibility to find out what went on.

These are the questions that I want to ask. The minister said the RCMP had certain documents which did not pertain to his office. How did he know that if he did not read them? Secondly, why did he give them access to what they wanted if they did not pertain to his office? If somebody came into my office and said: "We are taking your files, Eldon"—

Miss Campbell (South Western Nova): That is a mere play on words.

Mr. Woolliams: I do not intend to get into a debate with the hon. lady, but if they came into my office and said, "Look, we are taking your files", I would ask what was their authority. I would then ask for a lawyer or examine the documents. But what did the Minister of Labour do? He said: "Help yourself to anything you want". I want to know what they took, what authority they had to take it, and why were they there. Would a lawyer or an experienced cabinet minister act in that way? The Minister of Labour is a lawyer, not a layman. He knows the Criminal Code as well as I do. He knows the RCMP are supposed to be armed with a warrant if they make a search.

The hon. member for Hamilton-Wentworth also asked whether there were any cabinet documents there. If so, why did he hand them over? What was going on?

I have two further questions to ask. First, if there is nothing wrong, why did the Prime Minister get into the act today and attempt to say that we were trying to lay charges? We were merely seeking information. In addition to that, why did the Minister of Finance (Mr. Turner), the former Minister of Justice, get up and try to read from Beauchesne, which really had nothing to do with the situation at all? They were ruled out of order, and Mr. Speaker ruled that there was no point of order. I must not discuss his ruling, but it was right on the point.

[Mr. Woolliams.]

• (2220)

Those are all the questions I want to ask. If there was no authority and no documentation, or if there was documentation and the minister did not read it, then how does he know they did not pertain to his office? What was in his office, and what did the minister surrender?

Hon. John C. Munro (Minister of Labour): Madam Speaker, going back to the time the RCMP came into my office, I recall looking at a form they had, and I recall vaguely some comment to the effect that it was not directed at my particular office. That recollection on my part was the basis for my statement. Let me say that I made a decision, rightly or wrongly, to let the RCMP look at the documents they wanted to look at. I did not know at the time what they were looking at, or what documents they were taking. I did not know what documents in fact they did take. I have had some opportunity subsequent to that time to examine some documents they took, but perhaps not all. That is all I can say, Madam Speaker, in the way of answer to the hon. member's questions.

NATIONAL PARKS—REQUEST THAT RESPONSIBILITY BE REMOVED FROM MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—ALLEGED CONFLICT OF INTEREST

Mr. Peter Elzinga (Pembina): Madam Speaker, the parliament of Canada has passed the National Parks Act which provides that the parks, as outstanding natural areas of national interest, are to be maintained unimpaired for the benefit, education, and enjoyment of present and future generations. Obviously, hunting or commercial activities like mining and lumbering cannot be permitted because of the great changes that would result. Does that sound familiar? It should, because it is a statement from a publicity brochure put out by the Department of Indian Affairs and Northern Development.

Yet once again people across Canada concerned with the preservation of our national parks face a confrontation with the hierarchy of this same department. Land is being withdrawn from Wood Buffalo National Park without the benefit of full public hearing, before the fact, despite previous promises that this sort of thing would not be allowed to happen.

A land use project, funded by the government through the Department of Indian Affairs and Northern Development, found approximately 75 square miles of land in a national park suitable for an Indian reserve to be used as part payment of a land entitlement totalling 97,280 acres to the Cree Band, granted under a treaty signed in 1899. The department has already approved in principle the transfer of 41,824 acres of land out of the park in two parcels—one at the Embarass Portage, which has lumbering potential, and the other at Peace Point in the centre of the park where a large gypsum deposit is located. The balance of the entitlement will come from outside the park boundaries.

Peace Point is located in the central area of Wood Buffalo National Park slightly toward the east. It can be reached down the west side of the loop road approximately 77 miles south of Fort Smith.

Travelling down the road in the late spring or the early summer a person can see herds of 30 to 40 bison along or across the road every few miles, particularly in the early morning. Peace Point itself is one of the most beautiful areas in the park, with white poplar stands overlooking the Peace River and a panoramic view of sloping banks on the other side, with its forest of pine showing green and black against the usual blue sky. The Embarass Portage is located in the southeast corner of the park.

Wood Buffalo National Park was established in 1922 to protect what remained of the wood bison, which is slightly larger and darker than the plains bison. Later on in the 1920s, beginning in about 1925, plains bison were transplanted in the park where they mixed freely with the wood bison, producing large and vigorous specimens. Since 1967 natural factors such as drownings, severe winters, predators and disease have controlled the herd sizes.

The present bison population is approximately 9,000 to 10,000, down somewhat from just a few years ago. It is estimated that Wood Buffalo Park could at present maintain 30,000 to 40,000 bison under natural feeding conditions. The park presently covers 17,300 square miles.

The land will be removed from park status by transferring it to the province of Alberta, which in turn will transfer it back to the federal government as an Indian reserve. This transaction will require an amendment to be passed to existing parks legislation by the federal government. In addition, alternate methods to transfer this land cannot be discounted.

A spokesman for the Alberta Indian Association has stated publicly that the band eventually intends to strip mine the gypsum at Peace Point and carry on wildlife ranching and agricultural pursuits in the centre of this park.

Under these circumstances it is inevitable that sooner or later additional roads as well as barge traffic, heavy machinery, housing and domestic cattle will find their way into what used to be a park. It is not difficult to determine the events to follow this proposed plunder. Information has also been received from reliable sources that development interests have been encouraging native people for over a year to pressure for the land at the Peace Point gypsum deposit.

This land is being transferred unilaterally without a public hearing and will set a precedent for all such transfers in national parks. It is of concern that this land is being transferred from park status without the general public across Canada being made aware of what is happening, with all the attendant ramifications.

On February 3, 1975, during a television interview on the CBC program "Hourglass" the Minister of Indian and Northern Affairs (Mr. Buchanan) again confirmed his department's intention to transfer the 41,824 acres of land out of park status in Wood Buffalo National Park.

The struggle to establish and maintain the integrity of Canada's national parks is difficult at the best of times without this dangerous precedent. The transfer of land from a national park for this purpose is clearly not acceptable. Land in our national parks has been set aside by law to be preserved unimpaired, for the benefit of future generations. The obligation to ensure this natural heritage for the present as well as the future rests in the hands of all Canadians.

Yet the government does not want public hearings to be held to give the Canadian people an opportunity to voice their wishes. Our Prime Minister (Mr. Trudeau) said the other day that the people would govern Canada. Is this the type of governing he is talking about?

On December 16, I asked the Minister of Indian and Northern Affairs the following question:

> Has the minister's department approved the turn-over of approximately 40,000 acres of land within the Wood Buffalo National Park . . .

He stated:

> Mr. Speaker, a request has been made for this land, but no decision has yet been made on this request.

In a supplementary I asked the minister why is it that his Edmonton regional office confirmed that the land was to be turned over. He replied that he was not aware of it but that he would be happy to look into the matter.

This leads me to believe one of two things. Either the minister does not know what is going on in his department, or he does not want the public to know. I believe that he does not want the public to know that truly a conflict of interest exists within the Department of Indian and Northern Affairs which has jurisdiction over Parks Canada, for what is good for the department can be disastrous for Parks Canada. This is tanamount to self negotiation, and therefore the dispute is primarily focused upon this department, and this should be corrected.

In closing let me state that I believe that our treaty agreements with our native people must be lived up to, but not at the expense of our national parks.

● (2230)

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, in responding to the question of the hon. member for Pembina (Mr. Elzinga) I feel it would be helpful to get a sense of perspective in the matter. I refer to the proceedings of the Standing Committee on Indian Affairs and Northern Development of December 18, 1973, at which the then minister, now the President of the Treasury Board (Mr. Chrétien), is on record as stating the following:

> I would like to inform members of the Committee that in Wood Buffalo National Park we had the same problem. There is a group of Indians living in the park and I have told them that their rights to the land there will supersede the parks control of the land and these Chipewyans in Fort Chipewyan at this time are trying to identify the land that will remain their land even if it is within the park. We recognize that their rights were prior to the establishment of the national park.

In addition he said that:

> . . . under the Expropriation Act, if we sometime need land for parks, we will take the negotiation route with the Indians.

Returning to the current situation which has prompted this question, under treaty No. 8 the Minister of Indian Affairs and Northern Development (Mr. Buchanan) has a responsibility to ensure that the Indian people of Fort Chipewyan are provided with 97,280 acres of land. The people of Fort Chipewyan have asked that 40,000 Acres of these lands be selected from lands in Wood Buffalo Na-

tional Park. The balance of the lands will be selected in other areas which have not been identified.

The 1930 transfer of resources agreement with the province of Alberta requires that any lands no longer required for national park purposes be transferred to the government of Alberta. This is one essential step in the transfer of lands to the Indians. A second essential step is that lands cannot be removed from a national park without the concurrence of parliament.

The minister must arrive at a decision after weighing all of his responsibilities. All ministers must do this. Where major issues are involved a collective decision is taken by cabinet. In the case at hand the approval of parliament will also be necessary. Thus, without accepting the proposition that any conflict of interest exists, it is clear that full public consideration and debate will take place before any steps are taken to alter the boundaries of the park.

Mr. Paproski: After the next election.

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

At 10.35 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, February 26, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TABLING OF FIFTH REPORT OF THE CLERK OF PETITIONS

Mr. Speaker: I have the pleasure to inform the House that the Clerk of the House has laid on the table the fifth report of the Clerk of Petitions.

* * *

PRIVILEGE

MR. FORRESTALL—ALLEGED WARNING OF NATIONAL HARBOURS BOARD AGAINST COMMUNICATING WITH MEMBERS OF PARLIAMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I will try not to take up too much of the time of the House. In the ten years that I have been in the House, this is the first time that I have intruded upon the goodwill of the House and Mr. Speaker's patience with respect to what may be a grievance but in fact appears to be a very clear question of privilege. I rise on a matter of privilege concerning the position taken by the National Harbours Board which affects my rights as a member of this House and which, indeed, strikes at the most basic historical and traditional privilege of this House, namely, that of being a representative institution.

The incident arises from an attempt, or rather a series of attempts, over the past year on the part of the National Harbours Board to impose on the port of Halifax and Dartmouth a system of shed rentals. This policy has been universally condemned by each and every segment of the port communities, including the mayors, members of parliament and members of the Shipping Federation of Canada.

As a final effort to see if the deadlock could be broken, the Shipping Federation of Canada requested a meeting with the National Harbours Board. The board accepted, but insisted that this meeting take place in Montreal, and the federation agreed. Its members travelled there on Monday, February 24. The meeting was not chaired by the chairman of the National Harbours Board but by the vice-chairman, and representative on the board of the St. Lawrence river ports, Mr. Guy Beaudet, acting as the official spokesman of the National Harbours Board.

After what has been described as a stormy meeting, aggravated by the fact that the St. Lawrence board member was in the position of ultimate authority over the Atlantic port system, as reported in the Halifax *Mail Star* of Tuesday, February 25, a warning was issued to those in attendance.

The gist of what I have to say follows. On the front page lead story in the Halifax *Mail Star* referred to, the following paragraph appeared:

> Halifax representatives of the Shipping Federation of Canada were "warned" by the vice-chairman of the National Harbours Board that they were not to release details of the policy (already in circulation) to the public or members of parliament.

Since there appear on the order paper of this House several unanswered and, incidentally, starred questions on this matter in my name, I can only conclude that this threat of dire consequences was directed at me and at my fellow representatives of the Halifax and Dartmouth port community, the hon. member for Halifax (Mr. Stanfield) and the hon. member for Halifax-East Hants (Mr. McCleave). Inasmuch as ministers of the Crown are also members of parliament, I think that this exclusion would have applied to them as well. Mr. Speaker, I have since verified that these comments were in fact uttered, although no recording of the meeting was kept.

I submit that it is incredible that an agency of the federal Crown with the authority and absolute power of the National Harbours Board should make such a statement, attempting to enjoin responsible citizens from communicating with members of parliament and with ministers of the Crown. I would suggest that this threat, this intimidation, this senseless coercion, affects my privilege and affects materially the privilege of the House. If this institution is to keep its cherished representative value, then I would submit it is a logical and physical prerequisite that representations must always be able to be made freely and without impediment to members of this chamber.

● (1410)

When that ability is strangled, the ability of this House to continue to represent is dead. Our trust is to preserve that ability, a trust which weighs most heavily on the first commoner. Every member of this chamber has taken an oath. There is no reason why members of the Shipping Federation of Canada cannot communicate with a member of parliament. The oath of a member of the National Harbours Board is no more sacred than that taken by hon. members of this House. Our interests are common, in fact.

I refer Your Honour to your own comments the other day in speaking to questions of privilege somewhat similar—although different in some aspects—raised by the hon. member for Montreal-Bourassa (Mr. Trudel) and the hon. member for Laprairie (Mr. Watson). With respect to the question of privilege raised by the hon. member for Montreal-Bourassa Your Honour said, and I quote:

In the final analysis, it would be almost impossible for the House to say that the complaint . . .

And I take this to mean a complaint or any complaint.

. . . against government services would not qualify as a question of privilege. I hope hon. members would be unanimous that questions of privilege are not suitable for that kind of grievance.

A little later on Your Honour goes on to say:

Some of them will amount to legitimate grievances that ought to be brought to the doorstep of the minister responsible. Therefore, the only vehicle we have now is the question of privilege. If we accept a question of privilege in its classic terms as not suitable for accomplishing this objective, then we must surely begin to ask ourselves if we ought not now, in recognition of the many important areas into which members have to bring themselves, to be examining new effective and direct procedures to air those grievances that are legitimate grievances which arise outside the House but which do not qualify as questions of privilege.

I would suggest that Your Honour not comment necessarily on that ruling but to apply your own admonition, perhaps Your Honour might be better serving the needs of parliament if the Chair were to recognize that in fact we have no other method of bringing what may or may not be legitimate grievances before this chamber and before responsible ministers. Without elaborating on that, because we do not have any other vehicle, it may well be that Your Honour could again reiterate or suggest that a way out of this dilemma is a provision within the rules of the House for other methods of dealing with matters of this nature. But in the absence of that, I had no resource but to raise this question of the propriety of a senior member of the public service threatening members of a Canadian constituency, whatever their responsibility, and in fact warning and threatening them not to communicate with members of parliament.

If it is found that there is a prima facie case, I would be very pleased to move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That this House instruct the Minister of Transport to forthwith give a full and frank explanation of his department's and the government's policy with respect to the warning and conduct of the National Harbours Board, before the Standing Committee on Privileges and Elections.

Mr. Speaker: Order, please. The hon. member was good enough not only to give the Chair the required notice under the rules of this question of privilege, but indeed, to give within that notice sufficient detail to enable the Chair to be somewhat prepared for the argument which the hon. member has so ably put forward.

I think the hon. member has pointed out the similarity to those questions of privilege put forward a few days ago by the hon. member for Montreal-Bourassa and the hon. member for Laprairie and it is more than I could overlook. Accordingly, as I said on that occasion, the classic definition of a question of privilege does not fit circumstances in which a member in his duties outside this House finds that his scope is being restricted or attempts are being made to restrict his scope of intervention and effective work on behalf of not only his own constituents but his point of view as a member of the federal parliament. It is, nonetheless, another example of the serious problems which can arise when the scope of activity of a member is restricted in that way or when attempts are made to restrict it.

[Mr. Forrestall.]

For the moment, I feel absolutely certain that the classic definition of a question of privilege as we know it does not fit because it does not affect the right of speech of the hon. member in this House. Indeed, his right of speech in this House to complain and to raise this grievance is unquestioned. The doctrine of ministerial responsibility is very important to the parliamentary system. The minister ought to be questioned about this. Within the limits of the powers available to me I will recognize the hon. member in the question period today, and if the answer of the minister is not sufficiently expansive to satisfy him, he will receive priority treatment on the adjournment debate. That is the least the Chair can do at the present time.

It is to be hoped that the procedure committee, which has a blanket reference, might take cognizance of this very important development and try to find a way through which meaningful confrontation between the minister and the hon. member might take place. I might add that not only do I feel the classic question of privilege does not cover the situation, I am not even sure that if it were accepted as a question of privilege the result would give the member any satisfaction. A finding by this House that a question of privilege exists, or a subsequent finding by a committee that a question of privilege exists, might be the legal result but might not be very effective in remedying the situation. Surely a direct, one to one confrontation, is more effective.

Within those limits I will take all possible steps to see that the hon. member is provided with that opportunity within existing procedures.

* * *

NATIONAL REVENUE

SUGGESTED EXTENSION OF TIME LIMIT FOR PAYMENT OF SALES TAX—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to the provisions of Standing Order 43, I rise to propose a motion on a matter of urgent and pressing necessity. This urgent and pressing matter is the incredible order issued by the Minister of National Revenue to business establishments to deliver their federal sales tax collections before the end of February at their own cost and expense to the government by any other means than the Post Office mails—a government run monopoly. This order is issued under threat of reprisal for late delivery of collections and is a flagrant repudiation of the law that posting in a mail drop is delivery to Her Majesty. I therefore move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That the government accept the consequences of the failure of the Post Office to deliver the mails, as Canadian citizens must, and extend the time limited for federal sales tax payments by business establishments until postal service is back to normal.

Mr. Speaker: Order, please. The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43 it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH

SUGGESTED COMMITTEE STUDY OF FOOD PRICES REVIEW BOARD REPORT ON NUTRITION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I too ask the unanimous consent of the House under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. The Food Prices Review Board today released its study on nutrition. The report found that there are serious deficiencies in the diets of Canadians, especially protein deficiencies among older men and women and calcium deficiencies among all age groups except the very young. In my view this is exacerbated by the increase in the price of meat products and milk. I therefore move, seconded by the hon. member for Peace River (Mr. Baldwin):

That the report of the Food Prices Review Board on Nutrition, released this day, be referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Order, please. The House has heard the terms of the motion. As it is proposed pursuant to Standing Order 43, it cannot be debated without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: Agreed.

● (1420)

* * *

[*Translation*]

CRIMINAL CODE

SUGGESTED RESTORATION OF CAPITAL PUNISHMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss a very urgent question.

Owing to the terrific increase in crimes and murders in Quebec, especially in Montreal, and as it is urgent to bring correctives to the problem, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That a special committee of the House of Commons be appointed immediately to inquire whether capital punishment should be restored in Canada.

Mr. Speaker: Order. The House has heard the hon. member's motion. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there such a consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

CONSUMER AFFAIRS

PROPOSED COMMITTEE STUDY OF BILINGUAL LABELLING REQUIREMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise pursuant to Standing Order 43 to present a motion on a matter of urgent and pressing concern to Canadian businessmen, namely, the requirement that all package labels be printed in both official languages as of September 1. The sudden urgency arises from the recent decisions of a number of foreign exporters not to comply with the law, thus effectively cutting off supply and, hence, the livelihood of a number of Canadian businessmen who are under the impression that the government is doing nothing to alleviate the problem. I therefore move, seconded by the hon. member for Portage (Mr. Masniuk):

That the House direct this matter to the Standing Committee on Consumer Affairs for complete study of its effects on small and large businesses and the Canadian economy.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43. Is there unanimous consent for the debate?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

PROPOSED MEASURE TO REDUCE NUMBER OF IMPAIRED DRIVERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to discuss a very urgent matter.

Given the fact that alcoholism at the steering wheel is responsible for the great majority of fatal road accidents, and since Holland, in the face of this plague, has implemented legislation aimed at freeing Dutch roads of 99 per cent of the drivers under the influence of alcohol, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the Standing Committee on Justice and Legal Affairs review the legislation implemented by Holland to face this plague of alcoholism at the steering wheel and report to the House on the advisability of passing similar legislation to free Canadian roads of the plague of drunken drivers.

Mr. Speaker: The House has heard the terms of the motion of the hon. member. Pursuant to Standing Order

43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

* * *

[*English*]

BROADCASTING ACT

AMENDMENT TO PROVIDE GUIDELINES RESPECTING THE PORTRAYAL OF SEX AND VIOLENCE

Mr. James A. McGrath (St. John's East) moved for leave to introduce Bill C-380, to amend the Broadcasting Act (guidelines respecting portrayal of sex and violence).

Some hon. Members: Explain.

Mr. McGrath: Mr. Speaker, the purpose of this bill is to clean up the jungle of sex and violence that is becoming characteristic of Canadian television.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1, 25, 286, 346, 785, 811, 838, 900, 972, 973, 1,015, 1,049, 1,097, 1,109, 1,151, 1,164, 1,178, 1,196, 1,197, 1,252, 1,254, 1,261, 1,263, 1,276, 1,279, 1,298, 1,314, 1,322, 1,353, 1,367, 1,368, 1,456, 1,469, 1,514, 1,518, 1,546, and 1,575.

Mr. Speaker, if questions No. 66, 282, 410, 418, 466 and 962 could be made orders for return, these returns would be tabled immediately.

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

[*Text*]

FOREIGN INVESTMENT

Question No. 1—**Mr. Reynolds:**

1. Will the reasons for permitting or not permitting proposed foreign investments in Canada under the Foreign Investment Review Act be made available to the public in the form of published decisions?

2. Will the continuing rules or restrictions on any foreign investor allowed to make an investment in Canada under the Foreign Investment Review Act, any applications to modify such rules and regulations and any decision by the Cabinet to vary such rules and regulations be made available to the public in published form?

[Mr. Speaker.]

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1 and 2. All decisions under the foreign Investment Review Act will be published in summary form in the Canada Gazette. In addition, from time to time, there will be issued news releases which, in the case of allowed investments, will provide whatever information can be made available as to the reasons for the government's decisions to allow without breaking the confidentiality of the information supplied to the government, in confidence, by parties to the transaction or jeopardizing their legitimate commercial interests. Past practices in that regard are now under review with the object of making public more information than heretofore about the reasons for decisions to allow.

GOVERNMENT AIRCRAFT USED BY PRIME MINISTER FOR VACATION

Question No. 25—**Mr. Cossitt:**

1. What government aircraft transported the Prime Minister and his family at taxpayers expense to the Caribbean for a 1974 Easter vacation and (a) what is the cost per hour of keeping such an aircraft in the air including fuel, crew, etc. (b) how many flying-hours were involved in this case (c) on what date and time did the aircraft leave Canada and on what date and time did the aircraft return to Canada (d) how many gallons of jet fuel were consumed and what is the cost per gallon of such fuel?

2. For what reason did the Prime Minister and his family not travel on regular scheduled commercial airlines to their Caribbean destination?

3. What was the entire total cost to the taxpayers for any and all aspects of this trip on the part of the Prime Minister and members of his family?

4. Did the government pay any portion of the cost of the Prime Minister's holiday trip to Antigua in 1974 and, if so, what was the total figure involved and for what specific items?

5. Did the government pay any portion of the cost of the Prime Minister's skiing holiday trip to Switzerland in 1974 and, if so, what was the total figure involved and for what specific items?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of Transport and the Prime Minister's Office as follows: 1. (a) $650; (b) 12 flying hours; (c) Departed Canada 9035 hours, April 12, 1974, Returned Canada 2200 hours, April 17, 1974; (d) 6,700 gallons at 42.5¢ per gallon.

2. See page 8618, House of Commons Debates, Volume 117, Number 189, 1st Session, 29th Parliament and page 2136, Volume 118, Number 50, 2nd Session, 29th Parliament.

3. MOT total costs $9,085.

4. MOT Viscount used Ottawa—Toronto—Ottawa on two occasions—one at start of trip, one upon return of Prime Minister—total cost of $2,940.

5. MOT Viscount used Ottawa—Montreal—Ottawa on return of Prime Minister from Europe—cost of $690.

STUDENT SUMMER EMPLOYMENT—COMPENSATION

Question No. 286—**Mr. McKinnon:**

1. Was a flyer published on January 1, 1974 offering summer employment for the period May 1 to September 3, 1974 for young men to participate in the Changing of the Guard ceremony on Parliament Hill at a salary of $1,800?

2. On March 31, were those enrolled informed that the pay was to be $1,500 and, if so, will the Department of National Defence live up to its original commitment?

Hon. James Richardson (Minister of National Defence): 1. A flyer was issued by the Governor General's Foot Guards (Militia) (GGFG) late in 1973 for the purpose of recruiting militia men to serve with the Public Duties Detachment (PDD) which performs the Changing of the Guard Ceremony on Parliament Hill. The salary quoted, "approximately $1,800", was based on the new rates of pay for Reservists but erroneously applied to the old system of pay which permitted members of the PDD to advance in rank and trade during their period of employment, whereas under the new rates of pay incentive pay increments are granted only after completion of one year of service. Mobile Command advised the GGFG of the inaccuracies contained in the flyer in February, 1974 and directed the unit to remove the pamphlet from circulation.

2. The GGFG contingent was assembled the weekend of March 31, 1974 and advised that the information relating to pay contained in the flyer was in error. They were all informed more than a month before their duties commenced that the minimum pay for the period May 1—September 3, 1974 would be $1,512. Subsequently this information was confirmed in writing to all members of the PDD, and 49 out of 50 agreed to serve at the announced salary of $1,512.

AMHERST DAILY NEWS

Question No. 346—**Mr. Coates:**

1. Was a DREE grant awarded to the *Amherst Daily News* of Amherst, Nova Scotia and, if so (a) on what date (b) what was the amount of the grant (c) what were the funds to be used for specifically (d) has the payment of the grant been made by the government?

2. Who is the publisher of the *Amherst Daily News* and who is the President of the company and the members of the Board of Directors?

3. Was the publisher of the *Amherst Daily News* a candidate in the federal election campaign of October 30, 1972 and, if so, for what political party and what were the official results of that election campaign?

4. Have similar DREE grants been awarded to other daily newspapers and, if so (a) what daily newspapers have received such grants (b) in what amounts (c) for what specific improvements?

5. Have similar DREE grants been made available to radio and television stations and, if so (a) in what amounts (b) to what radio and television stations (c) for what specific purposes?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Regional Economic Expansion and the Chief Electoral Office as follows: 1. Under the authority of the Regional Development Incentives Act, an offer of an incentive grant to the Amherst *Daily News* was made on February 19, 1974, and accepted on February 22, 1974. The estimated amount of the development incentive to be paid is $28,164, based on expected eligible costs of $140,818. The offer was made to assist the applicant to expand and modernize its printing facility at Amherst. No funds had been expended as at October 8, 1974.

2. The publisher of the Amherst *Daily News* and the president of this company is R. M. Van Snick. The directors are: B. Murphy, Vice-President and General Manager; Mary K. Brown, Secretary; and H. B. Rhude, Director (Lawyer).

3. Yes. Voting results were as follows: Cumberland-Colchester North: Robert C. Coates (P.C.), 19,455; R. M. Dick Van Snick (Lib.), 10,163; Allan McLean Marchbank (N.D.P.), 3,635; Robert Kirk, 245.

4. (a), (b) and (c) Under Section 2(2) (c) of the Regional Development Incentives Regulations, a manufacturing or processing facility, for the purposes of eligibility under the provisions of the legislation, is defined as follows: "Manufacturing or processing operation means an operation whereby any goods, products, commodities or wares are created, fabricated or refined or made more marketable but does not include . . . publishing other than printing." In reply to Question No. 223, asked during the Second Session of the 29th Parliament, an alphabetic listing was tabled on March 27, 1974, of companies that had accepted incentive grant offers from the Department under the Regional Development Incentives Act, or Section 10 of the Department of Regional Economic Expansion Act, as of August 31, 1973, for the establishment, expansion or modernization of printing or related facilities. It was noted at that time that, while a certain number of the firms listed also operated publishing facilities, the grants were operated with their printing operations only. That listing included the names of four firms that publish daily newspapers. These four firms are: Sun Publishing Co., Brandon, Manitoba; Gazette Canadian Printing Company, Montreal, Quebec; Le Soleil Ltd., Quebec, Quebec; and Publication du Journal de Québec (Offset) Inc. Other details relating to the grants offered and accepted by the companies concerned are shown in the listing. There have been no similar incentive grant offers made and accepted between August 31, 1973, and October 9, 1974, except as indicated in 1 above.

5. No; (a) Not applicable. (b) Not applicable. (c) Not applicable.

CANADIAN RESIDENTS LIABLE FOR INCOME TAX OF LESS THAN 10 PER CENT

Question No. 785—**Mr. Kaplan:**

For the most recent year for which figures are available, how many Canadian residents had incomes within the levels shown and were liable for income tax of less than 10 per cent thereof (a) $25,000 to $50,000 (b) $50,000 to $100,000 (c) $100,000 to $200,000 (d) $200,000 and over (e) $50,000 and over?

Hon. Ron Basford (Minister of National Revenue): (a) 2,486; (b) 327; (c) 75; (d) 49; (e) 451. This information is based on information derived from the 1972 Statistical Master file (the most recent year for which figures are available). Total income is defined as total income assessed for tax purposes, and includes income for employment, adult training allowances, research grants etc., pension income, income from other sources (including unemployment insurance benefits, dividends, interest, etc.) and net incomes from self employment. Tax payable includes federal and provincial Taxes assessed but excludes Quebec provincial taxes.

Order Paper Questions

EMPLOYEES OF THE ECONOMIC COUNCIL OF CANADA

Question No. 811—Mr. Stevens:

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by the Economic Council of Canada (b) what would have been their aggregate salaries if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Council?

Right Hon. P. E. Trudeau (Prime Minister): 1.

		March 31, 1968	March 31, 1970	March 31, 1972	March 31, 1974
(a)		104	111	110	127
(b)		1,138,311	1,265,985	1,516,978	1,855,692
(c)	(i)	16	18	23	21
	(ii)	Nil	Nil	2	2
	(iii)	Nil	Nil	Nil	Nil
2.	(1) 32,600	35,000—39,000		40,000—45,000	44,000—54,000
	(2) 27,450	24,000—31,000		28,000—35,000	33,000—42,000
	(3) 24,000	24,000—31,000		28,000—35,000	33,000—42,000
	(4) 23,000	22,000—27,000		25,000—31,000	29,000—37,000
	(5) 22,500	22,000—27,000		25,000—31,000	29,000—37,000

USE OF THE NATIONAL FLAG

Question No. 838—Mr. Clark (Rocky Mountain):

1. What is the protocol determining which officials of the government, or those accredited as diplomats or otherwise to Canada are entitled to show national flags on their official vehicles?

2. Among Canadian officials, is that right restricted to representatives of the Head of State?

3. Does the official vehicle of the Prime Minister carry a national flag and, if so, on what date did that practice begin and what is its justification?

Hon. Mitchell Sharp (President of the Privy Council): 1. In so far as the Departments of External Affairs and of the Secretary of State are concerned, the answer to part 1 is that there are no Canadian regulations concerning the flying of the national flag on the official vehicles of officials of the government. The international rules, which are accepted by Canada, appear in Article 20 of the Vienna Convention of Diplomatic Relations and Article 29 of the Vienna Convention on Consular Relations. These declare that the heads of diplomatic missions and consular posts may fly their national flag on their "means of transports", at their place of residence, and at their office premises. As a matter of courtesy and international custom the benefits of this rule are extended to heads of state, heads of government, and ministers of foreign affairs visiting Canada as guests of the government, whose national flags are displayed on their official vehicles and at their places of residence (except Rideau Hall).

2. With regard to Part 2 the answer is, no. In so far as local protocol permits Canadian heads of post abroad may and frequently do fly the Canadian flag on their official vehicle and at their residences and office premises. Of the various heads of post, only ambassadors and high commissioners in commonwealth countries where the Queen is not sovereign are representatives of the head of state. It may be noted in this connection that the Governor General as the representative of the head of state in Canada flies his personal standard rather than the Canadian flag at his place of residence and on his motor vehicle. When in office the Administrator of the Government of Canada follows the same procedure.

[Mr. Basford.]

3. The Prime Minister's official vehicle carries a flag when the Prime Minister is in the vehicle on official occasions. The date on which the practice began is not known. In 1967, the Prime Minister was assigned an official vehicle and a flag was used on the vehicle on official occasions. It may be that prior to 1967 a flag was used on official vehicles assigned occasionally to the Prime Minister however records are not available to accurately verify this point. It is an international custom for heads of government to fly their national flag on their vehicle.

REPORT ON CONSTRUCTION INDUSTRY EXPORTS

Question No. 900—Mr. Herbert:

In reference to the answer to Question No. 208, will the Department of Industry, Trade and Commerce make public the Report on Construction Industry Exports and will the Department announce any actions taken or contemplated resulting from the submission of this Report?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Yes, and the department has taken the following steps: Initiated the Multilateral Project Information System to alert the Canadian construction industry to forthcoming projects financed by the World Bank and the Asian Development Bank; Working with the Export Committee of the Canadian Construction Association to inform companies of opportunities for construction exports; Encouraged the industry to use the Program for Export Market Development. (Part of this program is designed to encourage the formation of consortia for overseas projects); The Trade Commissioner Service has been alerted to notify interested Canadian construction companies of overseas projects.

SECURITY—INVOLVEMENT BY DIRECTOR OF SECURITY

Question No. 972—Mr. Rodriguez:

1. Which members of the Security Branch, the Military Police or the Intelligence Branch of the Canadian Armed Forces are at or have attended or instructed at the CIA-sponsored International Police Academy in Washington, D.C.?

2. Is Colonel Dabros, the present Director of Security, Canadian Armed Forces, a former student or instructor at the Academy and (a)

if so, on what date and what subjects did he cover (b) if not, what was the nature of his duties during his posting to Washington?

3. Is it customary to have a Canadian Military Police or Security Officer posted to Washington, a city where Canada has no troops to police?

4. With reference to the answer to Part 17 of Question No. 1,849 of the First Session of the 29th Parliament, where it is stated that Colonel Dabros held responsibilities in relation to receiving "reports on student unrest" in 1969 and 1970, will the military be stepping up its surveillance activities of colleges and universities?

5. Has Colonel Dabros, or the Armed Forces Security Branch, been engaged in ascertaining voting patterns of Canadian Armed Forces personnel?

6. (a) How many staff, including reserve, full-time and part-time military and civilian, does Colonel Dabros have under his command (b) where are the major security units and staff located (c) how many and which ones and which staff members are located on or near a university or college in Canada (d) does Colonel Dabros have a university degree (e) what staff, facilities or equipment does the Security Branch possess for electronic surveillance?

7. (a) Is the present Director of Security (i) a former member (ii) currently a member of the Police Security Planning and Analysis Group of the Department of the Solicitor General (b) does he share membership with a member of this group on any interdepartmental or security committees and, if so, which ones and what access has he to the Solicitor General who may legally authorize wiretapping or electronic surveillance of subversive groups?

8. (a) On what date was Colonel Dabros, present Director of Security of the Canadian Armed Forces, appointed (b) what is his present salary (c) at the time of his present rank and/or appointment, how many officers in the Security Branch and in the Armed Forces were equal to him in his previous rank and possessed seniority over him?

Hon. James Richardson (Minister of National Defence): 1. None.

2. No. (a) Not applicable. (b) Colonel Dabros was the Executive Staff Officer to the Commander, Canadian Defence Liaison Staff, Washington, D.C.

3. No. However, staff appointments in Washington or elsewhere are opened to officers of any classification, including officers from the Security Branch.

4. No. The Department of National Defence is not engaged in this type of activity.

5. No.

6. (a) Presently none. (b) and (c) It is not considered to be in the public interest to disclose the location of these units. (d) No. (e) It is not considered to be in the public interest to disclose this information.

7. (a) (i) and (ii) No. (b) No.

8. (a) Colonel Dabros was appointed Director of Security on July 1, 1973 and relinquished this on August 4, 1974. (b) Salary range $27,000-$30,600. (c) At the time of Col. Dabros promotion to his present rank no officers in the security classification were senior to him and two officers possessed equal seniority.

CANADIAN SECURITY—CONFIDENTIAL BRIEFINGS

Question No. 973—Mr. Rodriguez:

Did any senior member of the Police and Security Planning and Analysis Group, formerly the Security Planning and Research Group, and/or the RCMP Security Service and/or the Armed Forces Security Branch and/or the Security Branch of the Department of Supply and Services, ever deliver a confidential briefing on the threat to Canada's security by subversive elements to any group of industrialists in Toronto and Montreal and/or Vancouver and, if so (a) who were these government officials and on what date and where did the briefing take place (b) did the briefing concentrate on labour problems and promise to provide industrialists with confidential data on subversive organizations, including labour unions (c) which organizations were named (d) who were the industrialists present (e) was any solicitation made in any way in connection with this briefing for funds for the Liberal Party (f) does the government regard such appearances by public servants as partisan (g) what other organizations have received such briefing (h) did the resignation of Mr. John Starnes as Director General of RCMP Security Services result from his being coerced into taking part in such practices?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of the Solicitor General as follows: Yes, (a) Mr. Robin Bourne, Assistant Deputy Minister, Police and Security Planning and Analysis Branch, Ministry of the Solicitor General; and Mr. John Starnes, Director General, Security Service, Royal Canadian Mounted Police. The briefings took place in Toronto and January 31, 1972, Montreal on February 2, 1972, and Vancouver on May 25, 1972. (b) No. (c) and (d) These were briefings which were similar to those given by the RCMP during the last decade to various interested groups. They were more general in nature than those delivered in camera to the parliamentary committee on justice and legal affairs. It would not be appropriate to discuss either the organizations named or those who attended these briefings. (e) No. (f) No. (g) See answers (c) and (d) above. (h) No. The briefings were made in full cooperation between the Ministry of the Solicitor General and the RCMP Security Service since the briefing of concerned citizens is considered to be a part of the role of the Ministry of the Solicitor General and of the RCMP.

PRIME MINISTER'S STAFF

Question No. 1,015—Mr. Cossitt:

1. On what date did Mr. Jim MacDonald, Liberal candidate in the July 8 election in Grenville-Carleton, become a member of the staff of the Prime Minister's Office?

2. (a) What are all his duties (b) what is his annual salary (c) what are all his qualifications for this employment (d) was the fact that he is a former Liberal Party candidate a consideration in the obtaining of such employment?

Right Hon. P. E. Trudeau (Prime Minister): 1. September 9, 1974.

2. (a) Policy assistant; (b) $20,000—$25,000; (c) Overall suitability of the individual's professional, academic and personal qualifications in relation to the job requirement. (d) All appointments are governed by statutes and this appointment falls in the area of appointments of personal ministerial staff—party affiliation may or may not be a consideration in this instance just as has been the practice followed by ministers of governments in the past. This applies not only to personal ministerial staff but also to personal staff of leaders of opposition parties.

BEEF GRADING

Question No. 1,049—Mr. MacLean:

1. What action is being taken by the government to assure that meats which are graded "C" or "B" in the abattoir retain the same grade rating throughout the distribution system until purchased by the consumer?

2. What action is being taken by the Department of Consumer and Corporate Affairs to assure that the differential in price of "A" and "C" grades of beef is retained throughout the distribution system until purchased by the consumer?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Agriculture and Consumer and Corporate Affairs as follows: 1. Graded beef carcasses are appraised for maturity, quality and fat level and the appropriate grade stamped on each carcass 10 times (five on each side)—on the short hip, sirloin, short loin rib and chuck. When the grade stamps have been applied, the plant applies a registered coded ribbon-brand, which is a continuous ribbon-like brand which runs from the hip to the front portion of the chuch. This brand must be applied at the time of grading and under the general supervision of the grading inspector. The ribbon-brands designate grade both by words and colour. Grade stamps and colour-coded ribbon brands are carried through the merchandising chain, however, at the retail level during breaking of carcasses into retail cuts, all or part of the stamps and ribbon-brand may disappear due to cutting and trimming.

2. There is no legislation administered by the Department of Consumer and Corporate Affairs which regulates the price differential between grades of beef to ensure that such differential are retained throughout the distribution system. These differentials have been established by competition in the market place and recently selling practices have changed at the retail level, that have given more prominence to the maintenance of these differentials. The beef inquiry recently announced by the government will be examining this question. If there are recommendations to the department on this matter, the department will be prepared to respond at that time.

DOCUMENT ADVERTISING OPENINGS FOR SEASONAL EMPLOYEES IN THE ONTARIO POSTAL REGION

Question No. 1,097—**Mr. Cossitt:**

1. Was a document advertising openings for seasonal employees in the Ontario Postal Region circulated showing the new pay rates would be $3.84 per hour for inside (sorting), $4.02 per hour for heavy work (mail handler) and $4.21 per hour for outside (letter carrier)?

2. Was a further document sent to each accepted applicant showing a change in pay rates to be $2.50 per hour for inside work and $2.75 per hour for outside work?

3. What are all the reasons for the discrepancy shown in the rates of pay?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. Yes, however this was issued in error.

2. Yes, a further document was sent to each accepted applicant showing a change in pay rates to be $2.50 per hour for inside work and $2.75 per hour for outside work except for some 17 candidates in the Ottawa Post Office who were not notified of the rate change, consequently, they were paid at the higher rate until they were notified of the change in rates on December 6, 1974.

3. The rates $3.84, $4.02, and $4.21 are contract rates established for employees carrying out the full range of duties. The rates $2.50 and $2.75 were established for Christmas helpers who are not required to carry out the full range of duties.

[Mr. MacLean.]

DEPARTMENT OF SOLICITOR GENERAL—TRANSLATION OF DOCUMENTS

Question No. 1,109—**Mr. McKenzie:**

1. What documents of any and all description (such as any type of form, records, stationery, employee directives, etc.) within the entire Department of the Solicitor General have to be translated into the French language?

2. Retroactive to what date will all past records of the Department have to be translated?

3. At what date must all of these translations be completed?

4. What amount of money was spent in the years 1973 and 1974 for translating such documents?

5. What will be the total cost of translating all existing documents, forms, stationery, records, etc. within the Department's entire operation?

6. What is the total additional yearly cost of ordering all new forms, stationery, etc. in two languages compared to the cost in one language?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of the Solicitor General and the Secretary of State as follows: Ministry Secretariat, Canadian Penitentiary Service, National Parole Board & Service: 1. All documents such as forms, stationery, employee directives, etc. are translated into the appropriate official language. Records, such as employees' files or correspondence on any other file, are translated only if required.

2 and 3. Past records are translated only as required. Many documents in the past, such as employee directives, forms, stationery, etc., were bilingual. However, because of the government's official languages policy, they have been reviewed and, where necessary, changes made to bring them into line with the Federal Identity Program. As the Ministry of the Solicitor General has only been in existence for seven years, the amount of translation required on past records is minimal.

4. It is difficult to provide a precise answer to the question in terms of the Department of the Solicitor General, since, in order to achieve greater efficiency, the government of Canada has consolidated all translation, interpretation and terminology under a single administration, designed to serve all the departments and public bodies which depend on them. Costs are not apportioned according to the types of activities mentioned above. However, the total demand for translation as represented by the number of words is available for the years 1972-1973 and 1973-1974. The production in words for 1972-1973 was 607,442; for 1973-1974 it was 713,000. On the basis of an analysis of operating costs for the translation bureau, the total operating costs are estimated at about ten cents per word for the two years in question.

5. Due to the number and variety of factors involved, such as the time required for translators to complete each item or task, the continuously increasing cost for personnel, accommodation and material, no reasonable estimate of cost can be determined.

6. No comparative costs are available.

NOTE: Translation services for the Ministry of the Solicitor General are provided by the Secretary of State Department. No charges are attached to this service.

Royal Canadian Mounted Police: 1. All directives, forms and stationery must be printed in a bilingual format.

2. Not applicable.

3. September, 1976.

4. 1972-1973: $264,722; 1973-1974: $314,083.

5. It is impossible to estimate what the total cost will be.

6. Approximately $325,868.97.

NOTE: The RCMP have their own translation service and are able, therefore, to provide the above information.

PERCENTAGE OF TAX AUDITS RESULTING IN INCREASED ASSESSMENTS

Question No. 1,151—Mr. Herbert:

With reference to the answer to Question No. 578, of the tax filers audited in each group, what percentage, if any, of the audits resulted in increased assessments and, if there were increased assessments, what proportion of these were not contested?

Hon. Ron Basford (Minister of National Revenue): The information necessary to answer Question No. 1,151 is derived from a different source to that used for Question No. 578. The two data sources do not compare exactly due to a different time frame basis for extracting the data. They may be considered however, to be reasonably comparable. The second part of the question dealing with contested assessments cannot be answered exactly as requested. We do not have information available on ones and how many were contested. Further, we can only provide information relating to contested assessments for each range as specified, where the subsequent action results in a change. The accompanying table indicates the number of contested audits completed in each fiscal year which resulted in a change from the previous assessment.

Audits of Large Corporations—Increased Assessments and Appeals or Objections
Gross Income Range

	200,000,000 and over	25,000,000 to 200,000,000	5,000,000 to 25,000,000
1971–1972			
Audits with Increases All Audits (per cent)	70.3	56.6	58.9
Audits Not Appealed or Objected* All Audits with Increases (per cent)	69.2	61.7	73.8
1972–1973			
Audits with Increases All Audits (per cent)	58.5	54.0	56.8
Audits Not Appealed or Objected* All Audits with Increases (per cent)	25.0	72.5	76.2
1973–1974			
Audits with Increases All Audits (per cent)	69.7	55.1	53.4
Audits Not Appealed or Objected* All Audits with Increases (per cent)	43.5	68.6	79.5

*This percentage reflects the complement of the number of audits that are appealed or objected to that result in a change in the original assessment.

COMMISSIONS OF INQUIRY

Question No. 1,164—Mr. Gauthier (Roberval):

How many commissions of inquiry (a) have been appointed since 1963 (b) are still in operation?

Right Hon. P. E. Trudeau (Prime Minister): Commissions of Inquiry under Part I of the Inquiries Act. (a) 30; (b) 5.

GRANTS TO TERRA POWER TRACTOR CO. LTD., OF SASKATCHEWAN

Question No. 1,178—Mr. Hnatyshyn:

How much in government grants of all kinds from all departments was allocated to Terra Power Tractor Co. Limited of Saskatoon and, in each case (a) from which department (b) for what purposes?

Hon. Mitchell Sharp (President of the Privy Council): None.

MR. PITFIELD—DAYS ABSENT

Question No. 1,196—Mr. Cossitt:

With reference to the answer to Question No. 982 to the effect that Mr. Michael Pitfield was not absent from duty as Deputy Minister of Consumer and Corporate Affairs "except as provided by Public Service Regulations", on what days was Mr. Pitfield absent from his job as

Deputy Minister since January 1, 1974 and, in each case, what specific Public Service Regulation permitted such absences?

Right Hon. P. E. Trudeau (Prime Minister): See reply to Question 445 answered December 18, 1974, *Hansard* No. 56, page 2350, regarding Executive Development Leave, August 10, 1974 to January 10, 1975. It is not customary to make public detailed personnel information such as an employee's use of sick or vacation leave as provided by Public Service Regulations. A copy of Order in Council P.C. 1973-1/2128 of July 17, 1973, "Guidelines on non-salary compensation (including leave) for deputy ministers and other persons appointed by the Governor in Council" will be forwarded to the hon. member for Leeds.

EXECUTIVE DEVELOPMENT LEAVE—MR. PITFIELD

Question No. 1,197—**Mr. Cossitt:**

1. With reference to the answer to Question No. 446 to the effect that total expenses for Mr. Michael Pitfield from April 20, 1968 to October 24, 1974 totalled $27,142.52, does any portion of this amount include expenses in connection with Mr. Pitfield's education at Harvard University or any other institution, travelling to or from any educational institution and, if so, what is a complete breakdown of such items with costs?

2. What is a complete breakdown of items and costs involved under "Executive Development Leave" totalling $2,163.63?

Right Hon. P. E. Trudeau (Prime Minister): 1. Yes. Includes the $2,163.63 referred to in part 2, plus travel expenses of $146.99 relating to Executive Development Leave at Harvard.

2. Accommodation and utilities, $969.00; Rental security deposit, $551.00*; Salary equalization, $643.63; Total $2,163.63.

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*NOTE—Security deposit refunded to Receiver General on completion of course.

REGIONAL RATE OF PAY FOR GOVERNMENT EMPLOYEES

Question No. 1,252—**Mr. Forrestall:**

How many people as employees of the government or its agencies were paid a regional rate in 1974, 1969 and 1964, expressed in absolute terms and as a percentage of the total government employment?

Hon. Jean Chrétien (President of Treasury Board): In September 1964 there were 25,376 full-time employees paid on a regional rate basis. This represents 15.5 per cent of the total number of full-time employees under the Civil Service Act, Ships' Officers and Crews Regulations and the Prevailing Rate Regulations. In September 1969, there were 41,402 employees paid on a regional rate basis. This represents 22 per cent of the total number of employees under the Public Service Staff Relations Act, Schedule 1, Part 1. In September 1974, there were 48,300 employees paid on a regional basis. This represents 19.5 per cent of the total number of employees under the Public Staff Relations Act, Schedule 1, Part 1.

[Mr. Cossitt.]

ABOLITION OF REGIONAL PAY RATES

Question No. 1,254—**Mr. Forrestall:**

Does the government envisage the day when the present system of paying government employees regional rates will be abolished or eliminated and, if so, on what date?

Hon. Jean Chrétien (President of Treasury Board): If it should eventuate that existing regional pay differentials outside the Public Service disappear, then the government, as employer, in keeping with its policy of pay comparability, will cease to pay regional rates. Since it is impossible to predict if and when regional pay differentials in Canada will disappear, the government, as employer, cannot specify a date for the abolition or elimination of regional rates.

CONSTRUCTION PROGRAM 1975—DARTMOUTH, NOVA SCOTIA

Question No. 1,261—**Mr. Forrestall:**

1. What is the construction programme for the City of Dartmouth for the Department of Public Works for the year 1975?

2. What is the projected construction programme for the Department for 1976?

Hon. C. M. Drury (Minister of Public Works): 1. There was no contruction program undertaken in the city of Dartmouth by this department during 1974/75, either chargeable to its own funds or on behalf of other government departments.

2. The projected construction program for 1975/76 fiscal year includes the following projects, all of which will be funded by other government departments: (a) Project, Bedford Institute of Oceanography Laboratory; Department, Energy, Mines and Resources; (b) Project, Wharf Extension; Department, Ministry of Transport; (c) Project, Prison Hospital; Department, Solicitor General.

ADDITIONAL RCMP SERVICES—NOVA SCOTIA

Question No. 1,263—**Mr. Forrestall:**

1. Has the Province of Nova Scotia made any requests for additional RCMP services along the Eastern Shore of Nova Scotia?

2. What would be the attitude of the government to such a request should it not already have been forthcoming?

3. If a request has been made, what action is the government taking in that respect?

4. Would the government take unilateral action to increase RCMP protection for the Eastern Shore of Nova Scotia if no request is forthcoming from the provincial government and, if not, for what reason?

Hon. Warren Allmand (Solicitor General): 1. No. Increases in man-power were initiated by the Commanding Officer of the Royal Canadian Mounted Police in Nova Scotia in consultation with the provincial attorney-general.

2. Any request would be studied and, if the increases were warranted, the Commissioner of the Royal Canadian Mounted Police would include them in his program forecast submission to Treasury Board.

3. Additional positions, with he concurrence of the provincial attorney-general, have been programmed for April 1, 1975.

4. As was pointed out in the reply to Part 1, requests for establishment increases are normally initiated by the Commanding Officer of the Royal Canadian Mounted Police in Nova Scotia and, with the concurrence of the provincial attorney-general, are included in the program forecast. It is impossible to theorize as to what action would be taken should the provincial attorney-general not agree to proposed changes as each case must be judged on its own merits.

SUBSIDY ON MILK

Question No. 1,276—**Mr. Robinson:**

What was the total cost of the subsidy on milk in 1973 and 1974?

Hon. E. F. Whelan (Minister of Agriculture): Subsidies paid on powder and fluid milk were:

	1973	1974
Fluid	$21,659,898.06	$87,112.299,12
Powder	1,209,264.19	8,358,507.37
Total	$22,869,162.25	$95,470,806.49

PRICE DIFFERENCE BETWEEN POWDERED AND FLUID MILK

Question No. 1,279—**Mr. Robinson:**

What is the price difference for powdered milk as compared to fluid milk?

Hon. E. F. Whelan (Minister of Agriculture): Skim milk powder is sold at the retail level in various sized packages with savings per pound as the package size increases. Similarly, fluid milk is sold in various sizes of packages with savings per quart as the package size increases. Fluid milk prices per quart are generally less than half the price of a pound of skim milk powder Skim milk powder, which receives a federal subsidy of 29 cents per pound, however, is reconstituted to make four quarts from one pound. Thus the cost of one quart of reconstituted skim milk is approximately 20 cents as compared to recent Toronto prices for fluid milk of approximately 50 cents per quart. While these prices may vary across the country, the large price difference for reconstituted skim milk compared to fluid milk is always evident.

FULL-TIME EMPLOYEES—DEPARTMENT OF AGRICULTURE

Question No. 1,298—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of Agriculture on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. E. F. Whelan (Minister of Agriculture): 1. (a) 9,494; (b) 9,774.

2. 1974: (a) 4,629; (b) 4,216; (c) 602; (d) 47. 1975: (a) 3,378; (b) 5,477; (c) 830; (d) 89.

Order Paper Questions

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION—FULL-TIME EMPLOYEES

Question No. 1,314—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of Regional Economic Expansion on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer to this question for the Department of Regional Economic Expansion is as follows: 1. (a) 1678; (b) 1790.

2. In 1974: (a) 874; (b) 562; (c) 225; (d) 17. In 1975: (a) 725; (b) 706; (c) 302; (d) 57.

NOTE: The over-all increase during this period stems from the fact that in anticipation of the decentralization of the department a temporary freeze was placed on new appointments in 1973 and there was little or no replacement of personnel lost though normal attrition until the decentralization took place. It should also be noted that between 1974 and 1975 there were revisions in basic salary scales that affected the numbers in each salary range specified.

DEPARTMENT OF VETERANS AFFAIRS—NUMBER OF EMPLOYEES

Question No. 1,322—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of Veterans Affairs on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. (a) 8,836; (b) 7,107.

2. 1974: (a) 7,322; (b) 1,380; (c) 79; (d) 55; 1975: (a) 5,347; (b) 1,609; (c) 101; (d) 50.

CHAUFFEUR FOR PRIME MINISTER

Question No. 1,353—**Mr. Cossitt:**

What are the names and job designations of all persons who have been employed in the capacity of chauffeur for the Prime Minister since April 20, 1968 (a) on what dates were they hired and on what dates did they leave, if applicable (b) what is the salary in each case (c) what is a complete list of any previous government employment in each case?

Right Hon. P. E. Trudeau (Prime Minister): Mr. D. J. K. Dempster—GLMDO 4 (General Labour Machine Driving—Operating). (a) November 15, 1968; (b) $3.77 per hour; (c) For the period April 20, 1968 to November 14, 1968, Mr. Dempster was a member of the Canadian Armed Forces and was on loan to the PMO from National Defence Headquarters. Mr. Dempster served 28 years in the forces prior to his present appointment.

Order Paper Questions

SUGAR BEET INDUSTRY

Question No. 1,367—**Mr. Robinson:**

Has the government any programme to encourage the sugar beet industry in Canada as a means of reducing the price of sugar and the necessity of importing sugar at high inflationary prices?

Hon. E. F. Whelan (Minister of Agriculture): In so far as the Agricultural Stabilization Act is concerned sugar beets is not a mandatory commodity and a support program is not currently in effect.

SEVERAL GRADES FOR PRODUCE

Question No. 1,368—**Mr. Robinson:**

Will the government consider the advisability of providing several grades of produce, apart from Canada No. 1, etc., so that up to 30 per cent of production will not be wasted as unfit for market, particularly when there is nothing wrong with the produce nutritionally, but primarily only in appearance of the vegetable, meat, etc.?

Hon. E. F. Whelan (Minister of Agriculture): In general, grades are provided beyond Canada No. 1 to cover all wholesome products. For meat there are grades to cover all livestock carcasses. For fresh fruits several additional grades are provided. For vegetables, the great demand is for Canada No. 1 and in case of most fresh vegetables one additional grade only is provided to cover the rest of the wholesome product.

COMPETITION FOR OFFICIAL LANGUAGE OFFICERS

Question No. 1,456—**Mr. Cossitt:**

1. With reference to Public Service poster number 75 ASP CCID AS 5 advertising a competition for Official Languages Officers, for what reason are there no minimum educational requirements outlined or required in the poster for such positions?

2. (a) Is it not customary for certain minimum educational standards to be required in connection with government employment depending on the nature of such employment in each case (b) is the only requirement in regard to government employment in connection with bilingual matters that the individual speak both languages at least to some degree regardless of education?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. The minimum educational requirements of the administrative services group are "an ability normally associated with completion of secondary school education and demonstrated capability, through work history, for administrative work in related areas". Except at the lower levels of the groups (levels 1 to 3), where the minima apply, or in special circumstances, where the particular requirements of the job demand higher or specialized educational qualifications, no reference is made to "educational" requirements as such. At more senior levels the "basic requirements" include an "ability" level more demanding but inclusive of the educational equivalent of lower levels. Poster competition 75-ASP-CCID-AS5 involves the AS7 level.

2. (a) Yes, it is customary for certain educational standards to be required depending on the nature of the duties in each case. However, the requirements are, in some cases, stated in terms of the knowledge or ability acquired through education, rather than in terms of formal certification. (b) Bilingual positions have the educational, knowledge and ability requirements typical of the group and level to which they belong, except for additional requirements necessitated by special cases. The linguistic requirement of a bilingual position is the only requirement that does not apply. Once the successful candidate is chosen, language training is provided if needed to meet the linguistic requirements of the position.

AUSTRALIAN REQUIREMENTS OF VISAS FOR CANADIANS

Question No. 1,469—**Mr. Cossitt:**

1. What is the government's attitude to the decision of the Government of Australia to require visas for Canadian and Commonwealth citizens wishing to visit that country?

2. Has the government in any way discussed, or made objection to, this move on the part of Australia and (a) if so, on what date and what are the details (b) if not, for what reason?

3. Has the government considered, or will it consider, reciprocal action to deal with this step taken by Australia?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The decision of the government of Australia was taken in the light of that country's interests on which it would not be appropriate for the Canadian government to comment. The decision applies to all countries except New Zealand.

2. No objection has been registered. However the implications of this Australian decision have been discussed by officials of our two governments.

3. The government has no plans at present to take reciprocal action in respect of Australia.

AIRPORT INQUIRY COMMISSION

Question No. 1,514—**Mr. Mazankowski:**

What was the total cost of the Airport Inquiry Commission headed by Justice Hugh Gibson?

Right Hon. P. E. Trudeau (Prime Minister): As of February 10, 1975—$756,379.33.

AMOUNT PAID TO EACH PROVINCE IN 1974 BY DREE AND PAIT

Question No. 1,518—**Mr. Reynolds:**

What were the actual dollar amounts paid out in 1974 to each individual province and territory (a) by the Department of Regional Economic Expansion (b) by PAIT?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of Regional Economic Expansion is concerned:

April 1, 1973 to March 31, 1974

(a) Province	Total Expenditure Budgetary and Non-Budgetary ($000's)
Newfoundland	50,947
Prince Edward Island	19,553
Nova Scotia	35,022
New Brunswick	57,938
Quebec	167,071
Ontario	12,692
Manitoba	14,824
Saskatchewan	16,711

April 1, 1973 to March 31, 1974

(a) Province	Total Expenditure Budgetary and Non-Budgetary ($000's)
Alberta	25,298
British Columbia	4,179
Not Allocated	20,109
Total	424,344

In so far as the Department of Industry, Trade and Commerce is concerned:

(b) British Columbia	$ 3,986,532
Alberta	977,983
Saskatchewan	101,648
Manitoba	171,988
New Brunswick	24,725
Prince Edward Island	17,050
Nova Scotia	46,173
Newfoundland	—
Ontario	16,298,893
Quebec	5,772,761
North West Territories	—
	$27,397,753

RETIRED RCMP PERSONNEL—PENSIONS

Question No. 1,546—Mr. Knowles (Winnipeg North Centre):

1. How many retired Royal Canadian Mounted Police personnel are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the following brackets (a) less than $20.00 per month (b) $20.00 to $29.99 per month (c) $30.00 to $39.99 per month (d) $40.00 to $49.99 per month (e) $50.00 to $59.99 per month (f) $60.00 to $69.99 per month (g) $70.00 to $79.99 per month (h) $80.00 to $89.99 per month (i) $90.00 to $99.99 per month (j) $100.00 to $149.99 per month (k) $150.00 to $199.99 per month (l) $200.00 to $249.99 per month (m) $250.00 to $299.99 per month (n) $300.00 per month and over?

2. How many widows of RCMP personnel or of retired RCMP personnel are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the brackets indicated in the above question?

3. What is the number of retired RCMP personnel and also the number of widows of RCMP personnel or of retired RCMP personnel presently residing in each province?

4. In respect of how many orphans of RCMP personnel are pensions being paid and what is the average amount thereof?

Hon. Warren Allmand (Solicitor General): 1 and 2.

	Retired R.C.M.P. Personnel	Widows
(a)	—	8
(b)	37	6
(c)	25	9
(d)	7	8
(e)	46	13
(f)	19	6
(g)	27	21
(h)	30	10
(i)	15	9
(j)	154	51
(k)	206	52
(l)	329	29
(m)	319	36
(n)	1,925	38

3.

Province	Retired R.C.M.P. Personnel	Widows
Newfoundland	52	7
Prince Edward Island	23	2
Nova Scotia	255	16
New Brunswick	110	8
Quebec	207	10
Ontario	663	74
Manitoba	148	14
Saskatchewan	167	12
Alberta	475	37
British Columbia	936	109
North West Territories	39	1
Outside Canada	64	6
Total	3,139	296

4. (a) 163; (b) $42.90.

LOANS FROM PIDA

Question No. 1,575—Mr. Herbert:

Who have been the recipients of loans from the PIDA loan programme, how much has each received and what has been the repayment experience to date?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce):

Company	Loan	Repayment to Jan. 31/75
Novopharm Ltd.	$1,413,515	$468,655
Sterilab Corp. Ltd.	65,430	$ 65,430

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QUESTIONS PASSED AS ORDERS FOR RETURNS

NAMES OF PRINTING FIRMS IN ONTARIO WHO RECEIVED BUSINESS FROM FEDERAL GOVERNMENT

Question No. 66—Mr. Cossitt:

What are the names and addresses of all printing firms in the Province of Ontario who received business from the government during the past fiscal year and what was the total amount in dollars paid by the government to each firm?

Return tabled.

NAMES OF LAWYERS RETAINED BY FEDERAL GOVERNMENT IN SASKATCHEWAN

Question No. 282—Mr. Hnatyshyn:

1. What were the names of all the lawyers used in the Province of Saskatchewan by the government or any Crown corporation in each year 1971, 1972, 1973 and the first six months of 1974?

2. What were the amounts of fees paid to these lawyers in each of these years?

3. Did any lawyer or firm receive fees in any of these years exceeding $5,000 and, if so, what were the names of such lawyers or firms and the amount of fees paid to each?

Order Paper Questions

Return tabled.

PROJECTS UNDER PACLE PROGRAMME, 1973-74

Question No. 410—**Mr. Lambert (Bellechasse):**

1. During 1973-74, how many projects were submitted under the PACLE Programme for the creation of local employment (a) in total (b) by province?

2. In which constituencies were they submitted?

3. What amount was granted to each project?

4. What was the total amount spent under this Programme?

Return tabled.

PUBLIC SERVICE—NUMBER OF PEOPLE FROM FRANCE EMPLOYED, 1964-73

Question No. 418—**Mr. Jones:**

1. How many persons from France (a) held positions or were employed in the government from the years 1964 to 1973 (b) presently hold positions or are employed in the government and (i) of these, how many were or are employed in lieu of serving in military service in France (ii) what are the names of such persons (iii) in what departments did they or do now hold positions (iv) what were their salaries (v) for how long a period were they so employed?

2. What other countries have similar arrangements?

3. What departments and which Minister or Ministers are responsible for the conduct and operation of such programmes?

Return tabled.

LIST OF GOVERNMENT AGENCIES LOCATED IN HULL SINCE 1968

Question No. 466—**Mr. Cossitt:**

What is the complete list of all government agencies, offices or establishments that have been located or expanded in whole or in part in the area of Hull, Quebec and in the surrounding counties since April 20, 1968 and, in each case, what is the name of the highest ranking government official involved in decisions bringing about such location?

Return tabled.

PUBLIC SERVICE—NUMBER OF RESIDENTS OF THE PROVINCE OF QUEBEC EMPLOYED IN NEW BRUNSWICK

Question No. 962—**Mr. Jones:**

1. How many residents of the Province of Quebec have moved to take up positions in New Brunswick with the Public Service or Crown corporations in each year 1970 to 1974 respectively and, of these (a) how many were new employees (b) how many were transferred or posted?

2. (a) What positions were involved (b) where were the positions located (c) what were the salaries?

3. For what reason were persons from the Province of New Brunswick not used for these positions?

Return tabled.

Mr. Broadbent: On a point of order, Mr. Speaker, I wonder if the parliamentary secretary would be so good as to inform us which ministers of the cabinet have not been doing their work this week.

[Mr. Hnatyshyn.]

MOTIONS FOR PAPERS

[*Translation*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would ask that all notices of motions be allowed to stand.

Mr. Speaker: Shall notices of motions be allowed to stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—OBJECTIVE OF AND RESPONSIBILITY FOR PROGRAM SEEKING CONSENSUS OF VARIOUS GROUPS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I will direct my question to the Acting Prime Minister in the absence of the Prime Minister who, I believe is leaving for Europe where he will remain until the middle of March. I, of course, wish him a pleasant and successful trip.

Some hon. Members: Hear, hear!

Mr. Stanfield: In view of the statement by the Acting Prime Minister—

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I think that is the shortest trip the Prime Minister has ever made. I will not repeat my good wishes. I expect they have been related to the Prime Minister by the government House leader. My question is with regard to the mysterious program of consensus toward inflationary restraint. The other day the government House leader told us that if it is under any general direction, it is under the direction of the Prime Minister. During the time the Prime Minister is in Europe, from now until the middle of March, will he be giving this program general direction from there or has he reached a consensus with the Minister of Finance?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the Leader of the Opposition for his good wishes. I believe this is an important trip from the Canadian point of view and that domestically it is important that we protect our markets there and seek co-operation in all the areas I will be discussing. Insofar as the fight against inflation is concerned, yes, Mr. Speaker, I have been in very close contact with the Minister of Finance. We were again discussing this very subject over the lunch hour. I feel very confident in his ability and the ability of my other ministers to continue this phase of the exploration while I am away.

Mr. Stanfield: Who will be responsible for pursuing these explorations in the Prime Minister's absence? Brief-

ly, can the Prime Minister advise what they will be exploring? We have been trying to find that out for a couple of months. Before the Prime Minister leaves, will he advise us what the government is trying to reach a consensus for and who will be looking after it in his absence.

Mr. Trudeau: Mr. Speaker, the meetings that are going on are, of course, going on under my direction. I am the one who has invited the various representatives of the labour, business and agricultural marketing sectors to meet with groups of ministers. I again issued some invitations recently. The meetings will be going on while I am away.

INFLATION—REASON MINISTER OF FINANCE CONTINUES TO BE ASSOCIATED WITH PROGRAM SEEKING CONSENSUS OF VARIOUS GROUPS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I will direct my supplementary question to the Minister of Finance who has the reputation of being an honest man. I wish to ask him very bluntly why he lends his name and reputation to such a farce and why he continues to accept the responsibility when the government treats his responsibility for his department with such contempt.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will be glad to tell the hon. member why, although two weeks ago tomorrow we had a fairly thorough exchange on this just after Orders of the Day. I need not recall to the hon. gentleman what was said because we were parties to that conversation, but I suggest to hon. members that it would be useful if they would look up those pages and see how fully I treated the answer at that time.

● (1430)

Basically, the government has rejected as an antidote against inflation a deflationary posture in terms of Draconian monetary and fiscal policies which would provoke massive unemployment in this country.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): We reject, as I think the Canadian people appear to have rejected, a compulsory system of income and price controls. The alternative before the country is for governments at all levels and all segments of the economy—business, labour, agriculture, the professions, owners of property—to seek some consensus voluntarily to moderate our demands on the economy. The hon. gentleman has often said that in his view inflation is the No. 1 problem in this country. I hope we can count on his co-operation in dealing with it.

Some hon. Members: Hear, hear!

INFLATION—REQUEST THAT GOVERNMENT STATE PROPOSALS FOR COUNTERACTING

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Agriculture. The Minister of Agriculture on national television was quoted as saying that at the conference he attended recently in Toronto dealing with the question of inflation they were looking for good ideas. Will the minister indicate whether at that meeting he or his colleagues offered any ideas on behalf of the government as to how inflation might be curbed in this country?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have been looking to the opposition for quite some time and that's why we are going out to other places.

Some hon. Members: Oh, oh!

Mr. Whelan: I did say in that interview following the meetings that if one good idea came from these meetings, the effort would be worth while. These people are very appreciative of the fact that we are meeting with them, and this exchange of ideas may help us do an even better job of fighting inflation than we are doing at the present time—and we are doing one of the best jobs in the whole world as far as that goes right now.

Some hon. Members: Hear, hear!

Mr. Stevens: I take it from the minister's answer, then, that there are certainly no ideas being offered from the government side at this conference inasmuch as he says he is looking for the opposition to supply the ideas.

Mr. Whelan: I said they seem to have run out of ideas because they haven't given us any that are workable so far. There is input both ways. They make suggestions to us and we make suggestions to them.

Mr. Stevens: The Minister of Agriculture said that they made suggestions at these meetings. That was my first question. Would he tell the House what those suggestions were?

Mr. Whelan: We have agreed with these people that everything would be in camera until the meetings are over.

Some hon. Members: Oh!

An hon. Member: A secret anti-inflation policy!

* * *

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—GOVERNMENT POLICY ON PAYING WAGES COMPARABLE TO THOSE IN PRIVATE SECTOR

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the President of Treasury Board. Since in both the private and the public sector the wage demands workers are making are principally related to the high rate of inflation, has the government abandoned its traditional principle of paying its employees wages and salaries comparable with those paid in the private sector and, if not, why has it rejected the legitimate claim of the general labour and trades group who are asking not even

parity with the private sector but only for 90 per cent of that level?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, we have stated that we are in favour of a policy of comparability with the private sector. However, we must be careful to compare apples with apples and not with oranges. For instance, we compare government employed plumbers with industry employed plumbers, and not with plumbers working on a temporary basis on construction sites who lack job security and are not eligible for the pension plans offered by the government.

[*English*]

Mr. Broadbent: Is the minister telling the House that the wage proposals put forward on behalf of the government in all the categories of tradesmen in construction meet the traditional test of comparability? Is he saying that what the government is offering meets traditional comparative standards?

[*Translation*]

Mr. Chrétien: Mr. Speaker, there have been arbitrations and settlements over the years. This is nothing new. What we are offering government blue collar workers today is about the same comparison basis we have offered them in similar circumstances over the years.

[*English*]

STRIKE OF GENERAL LABOUR AND TRADES GROUP—POSSIBILITY OF FUTURE RECRUITMENT PROBLEMS IF WAGES NOT COMPARABLE TO THOSE IN PRIVATE SECTOR

Mr. Edward Broadbent (Oshawa-Whitby): Is the minister aware of a report done by the pay research bureau in the Public Service Staff Relations Board which reaches a conclusion contrary to his own and suggests to the government that if it continues widening the gap between what it pays its employees and what is paid by the private sector, quite apart from the question of equity the federal government might well encounter recruitment problems of a serious nature?

Hon. Jean Chrétien (President of Treasury Board): I have been talking with a lot of members of parliament who would like some of their people to work for the government. I am not afraid we shall be short of labour in the next few years, because we treat our employees very well.

* * *

[*Translation*]

AIRPORTS

PROBLEMS RELATED TO ROUYN AND VAL-D'OR AIRPORTS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Transport.

Like the Leader of the Opposition, I wish the right hon. Prime Minister a good trip to Europe. May it be profitable to Canada on the international scene and especially to our Canadian economy. I am sure I speak for all hon. members when I say that we are not ashamed of our Prime Minister when he goes abroad.

I wish to put a question to the Minister of Transport. We have all heard that he has resigned as leader of the Quebec wing of the Liberal party. He has fairly often done good work with his students and I trust the new incumbent will be able to instill somewhat more seriousness into them.

Will the resignation of the minister allow him to devote a little more time to the solution of the serious problems of the Rouyn and Val-d'Or airports?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, since I heard that the hon. member for Brome-Missisquoi will seek the leadership of his party, and since I know he stands a good chance of being elected, I did not feel it necessary to have as strong an organization as we had in the past in the province of Quebec.

* * *

● (1440)

[*English*]

THE CANADIAN ECONOMY

POSSIBILITY OF RECESSION—ADVICE OF PRIME MINISTER'S ECONOMISTS TO COUNTERACT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister.

Some hon. Members: Hear, hear!

An hon. Member: Speak right up George.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, obviously the natives are again restless. They feel that the lion is moving in for the kill. As figures released yesterday by Statistics Canada show that real domestic product has been falling steadily for the past three quarters, thereby establishing this country firmly in a recession, I should like to ask whether that group of outside economists, with which the Prime Minister has surrounded himself, and who have been working for him for the past few months, have come forward with any concrete suggestions to restore the pace of the economy to a satisfactory level and, if so, could the Prime Minister very briefly mention those suggestions?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. Hees: Then I take it, Mr. Speaker, that these very high priced economists who have been on the public payroll for several months now are taking no interest in the country's number one problem. I would ask the Prime Minister whether it is a fact that the only task which has been allotted them by the Prime Minister is to pass judgment on the policies put forward by the Minister of Finance and his department?

Mr. Trudeau: No, Mr. Speaker, although the opposition would need some help on that.

Some hon. Members: Oh, oh!

NATIONAL HARBOURS BOARD

ALLEGED WARNING BY VICE-CHAIRMAN TO HALIFAX REPRESENTATIVES NOT TO DISCUSS SHED RENTAL POLICY WITH MEMBERS OF PARLIAMENT—GOVERNMENT ACTION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, is the Minister of Transport aware of the statement attributed to the vice-chairman, Mr. Beaudet, of the National Harbours Board to members of the Halifax branch of the Shipping Federation of Canada after or during a meeting held in Montreal, to the effect that these responsible corporate citizens were warned not to discuss the proposed shed rental policy about to be imposed on the port of Halifax-Dartmouth on May 1 with members of the public or members of parliament and, if so, is this particular style of coercion and irresponsible conduct on the part of senior public servants acceptable to the minister?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am worried about the question put by the hon. member but, unfortunately, I am not aware of the facts. Let me check and tomorrow I will indicate exactly what the situation is.

REQUEST FOR DELAY IN IMPLEMENTATION OF SHED RENTAL POLICY AT HALIFAX

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, in light of recent events, is the minister prepared to order or direct the National Harbours Board to shelve for the time being this particular policy in respect of shed rentals until such time as the Halifax port authority is given expanded authority, as has been done in Montreal and Vancouver and, if so, would the minister assure the House that the revamped Halifax port authority will be given a veto power over the imposition of such facile and discriminatory policies aimed allegedly, and again I quote from Mr. Beaudet, "equalizing all ports east of Montreal"?

Hon. Jean Marchand (Minister of Transport): I will answer at the same time tomorrow.

* * *

HOUSE OF COMMONS

REQUEST FOR STATEMENT RESPECTING GOVERNMENT'S VIEW OF RIGHT OF MEMBER TO ACCESS TO BOARDS, COMMISSIONS, ETC.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. In view of the frustrations experienced by many members of parliament in dealing with boards and commissions, as evidenced by my colleague's point of order and others in recent days, I wonder if the right hon. gentleman when he returns from Europe might consider making a statement on motions giving the government's view that it in no way wishes to restrict access by members to boards, commissions and public servants generally? In this way the right hon. gentleman could clear up what is obviously a very frustrating matter to those of us who are trying to do our jobs here.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I missed the point of order the hon. member refers to, but I will gladly look into his theoretical suggestion to see if I can give an adequate reply.

* * *

ABORTION

REQUEST FOR CLARIFICATION OF GOVERNMENT POLICY

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister. Will he clarify which statement reflects the government's position on present guidelines governing therapeutic abortion clinics operating in Canadian hospitals, one as expressed in a letter dated August 6, 1970 from the present Minister of Finance in which he wrote:

> Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.

The second statement expressing government policy was a statement of the present Minister of Justice in October, 1974 as follows:

> I advised the appropriate authorities, including therapeutic abortion committees, that the Criminal Code provisions regarding abortion were to be applied strictly: that social and economic considerations were not to be taken into account in determining whether a pregnancy lawfully could be terminated.

Would the Prime Minister indicate which of those statements reflects government policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not think the quotation by the hon. member gives the entire position of the Minister of Justice. He has taken the quite proper position that the Criminal Code should govern this matter, and the Criminal Code refers to health as involving many considerations apart from purely physical ones. This is the way the judges are presumably interpreting the law.

An hon. Member: Is that the final view?

* * *

[*Translation*]

THE CANADIAN ECONOMY

INCREASED EXPENDITURES—GOVERNMENT POSITION IN DISCUSSIONS WITH PRIVATE SECTOR

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I also offer the right hon. Prime Minister my best wishes for a very good trip. His important work will certainly help our country.

[*English*]

My question to the right hon. Prime Minister in no way involves the matter of transfer of payments to the provinces or payments under social programs. Since government expenditures for goods and services alone have risen 37 per cent in two years, by the government's own figures, how does the right hon. Prime Minister explain this to the private sector, management and labour, during his consensus talks?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I first want to thank the hon. member for his very statesmanlike wishes to me.

Some hon. Members: Hear, hear!

Mr. Trudeau: As to his very serious and important question, Mr. Speaker, without admitting the statistics the hon. member has put forward, it is of course a necessity on the part of the government when we meet the private sector to explain and justify the expenditures we embark upon, and to reassure them that the opposition will do its duty in examining the estimates put before it, making a judgment as to whether they are justified. Hopefully, there will be restraint shown by everyone in the House in not putting on more pressure to increase expenditures.

Mr. Grafftey: Mr. Speaker, I would direct my supplementary question to the Minister of Finance. During these talks has it been brought to that minister's attention that this kind of an increase simply in goods and services is the number one reason in Canada for the kind of domestic inflation we have, and for the crippling of economic expansion?

* * *

TRANSPORT

SUGGESTED MORATORIUM ON ALL FREIGHT RATE INCREASES UNTIL CALGARY AGREEMENT IMPLEMENTED

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct some additional questions to the Minister of Transport arising out of the recent transportation conference in Calgary. In view of the agreement in principle to remove some of the inequities in freight rates, and in view of the fact that increases now as well as future increases in rates will aggravate those inequities, is it the intention of the minister to impose a moratorium or a freeze on all rail express rates until such time as the Calgary agreement is embodied in this legislation?

● (1450)

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker.

FREIGHT RATES—METHOD OF PROHIBITING FURTHER HORIZONTAL PERCENTAGE INCREASES

Mr. Les Benjamin (Regina-Lake Centre): Referring specifically to one of the agreements reached in Calgary that "immediate action will be taken to achieve the goals that have been agreed upon", may I ask the minister when and by what means he intends to prohibit any further horizontal percentage increases in the freight rates?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, by the same means that I use when I ask the railways not to increase certain rates for a certain period.

[Mr. Grafftey.]

FREIGHT RATES—METHOD OF REDUCING RATE DIFFERENTIALS BETWEEN RAW AND FINISHED PRODUCTS

Mr. Les Benjamin (Regina-Lake Centre): Since the minister spoke of the method, could he say when he will use it? Also, in respect of the same agreement to reduce rate differentials between raw and finished products, can the minister tell us when he expects to introduce the necessary legislation, and also what measures he will approve in the meantime to reduce those differentials, particularly with regard to beef and rapeseed products?

Hon. Jean Marchand (Minister of Transport): The CTC is still in operation and many of those cases can be solved by the commission. As to the rest, of course we will have to introduce legislation, which is what I intend to do. I cannot say exactly at what moment that will be.

RAILWAY LINE ABANDONMENT—GOVERNMENT POSITION ON CONTINUING FREEZE AND IMPLEMENTING AGREEMENT WITH WESTERN PROVINCES

Mr. Jack Murta (Lisgar): I have a supplementary question for the Minister of Transport in connection with the matter of rail lines abandonment that is being discussed in western Canada. Can the minister say whether or not Ottawa is prepared to continue the freeze on the approximately 6,200 miles of railway beyond the end of 1975 if it can be demonstrated that further inquiries and further discussions will be needed?

Hon. Jean Marchand (Minister of Transport): We have an agreement on this with the ministers of transport of the western provinces. There is a certain number of miles which are frozen and will be frozen up to the year 2000, if my memory serves me well. Certain lines will be abandoned with the consent of the provinces, and others will be studied in order to find a better way of handling the grain.

Mr. Murta: My final supplementary is on the aspect of the legislation itself. Since there will have to be parliamentary approval for some of the proposals that the minister and the western ministers spoke about, can the minister give us an indication as to when he will introduce the necessary legislation to implement what was implied in the press release, or will this be part of his total transportation policy which he hopes to bring forward in May or June?

Mr. Marchand (Langelier): So far as branch lines are concerned, I do not think we have to await any legislation.

* * *

HOUSE OF COMMONS

DATE OF DISCUSSION OF POSSIBILITY OF TELEVISING PROCEEDINGS

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, my question is directed to the President of the Privy Council, the government House leader. Now that the other place has undertaken to have some of its committee

proceedings televised, when can we in this House expect to discuss televising the proceedings of the House?

Some hon. Members: Oh, oh!

Mr. MacFarlane: If I have not been heard, perhaps I could put my question again.

Some hon. Members: Dispense.

Mr. Speaker: Order, please.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, it is the government's intention to bring before this House a resolution recommending the broadcasting of certain parts or all of its proceedings on television. In the meantime, I have been preparing material that I think is necessary for the proper conduct of the debate as to the necessary changes to the lighting, and so on, in this chamber. As soon as that is completed, it would be my intention to put a resolution on the order paper for that purpose.

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CONSUMER AFFAIRS

BILINGUAL LABELLING—REQUEST FOR CONSULTATION WITH BUSINESSMEN—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): My question is directed to the Minister of Consumer and Corporate Affairs. As members of parliament are receiving complaints from businessmen across Canada who are opposing any legislation which requires bilingual labelling on pre-packaged products, is the minister planning any changes in this legislation and would he meet with the Canadian Federation of Independent Businessmen to discuss their problems in this regard?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have already answered a similar question asked two weeks ago by a colleague of the hon. member, the hon. member for St. John's East.

[*English*]

Mr. McKenzie: I do not know whether the minister has an answer to the following supplementary question. As a number of Canadian business firms are seriously concerned about foreign manufacturers stating that they will not comply with Canada's bilingual labelling regulations and will stop exporting to Canada, can the minister inform the House what action he will be taking to resolve this problem?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I have already answered the question, and I expect to make a statement shortly on the matter.

[*English*]

ROYAL CANADIAN MOUNTED POLICE

AVAILABILITY OF TRANSCRIPT OF PRELIMINARY INQUIRY INTO HAMILTON HARBOUR CASE TO FORCE

Mr. Elmer M. MacKay (Central Nova): My question is for the Solicitor General. As recorded at page 3575 of *Hansard* yesterday, the minister indicated that the transcript of the preliminary inquiry in Hamilton became available to the RCMP in Toronto only a few days ago and was not available to the force in Ottawa. In view of the fact that two Toronto newspapers, the *Globe and Mail* and the Toronto *Star*, have had the complete transcripts for many days, the *Star* since February 19 and the *Globe and Mail* since February 21, does the minister not now feel that he should request the entire transcript and either read it for himself or have his legal advisers, not the RCMP, prepare a summary for him? In this way he will have as much knowledge about a matter under his jurisdiction as the newspapers apparently have.

Hon. Warren Allmand (Solicitor General): It is an interesting question how the newspapers got it before the RCMP did. I should point out that the RCMP in Toronto requested a copy of the transcript from the Crown prosecutor in Toronto as soon as it became available, which was approximately ten days ago, to the Crown prosecutor in Toronto. Even now the RCMP in Toronto do not have a full transcript, although they obtained parts of it from the Crown prosecutor in Toronto. The RCMP in Ottawa also requested a full copy of the transcript ten days ago, but we have not yet received it. As soon as we receive it, I will take steps to examine all the parts that relate to the question at hand. I might say that there are six volumes of this transcript, a lot of this material being irrelevant to the parts that are being questioned. But as soon as we get it, we will consider that question further.

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HARBOURS

HAMILTON HARBOUR COMMISSION—POSSIBLE IMPLICATION OF MEMBERS IN COURT PROCEEDINGS—DISTINCTION BETWEEN CRIMINAL RESPONSIBILITY AND POLITICAL MISCONDUCT

Mr. Elmer M. MacKay (Central Nova): I am very pleased that the minister will eventually get this evidence.

Since he stopped short yesterday of answering my question fully about members or ministers being implicated in such a way that there could be cause for concern about their role in the Hamilton harbour matter, and later in the day confined his answer to saying merely that there was no evidence at that time to lay further criminal charges, is he making a real distinction between criminal responsibility and political misconduct. If he is making that distinction, will he say so and answer my question more fully?

Hon. Warren Allmand (Solicitor General): I have made that distinction, but I will not say anything further at this time. As I pointed out in the House last night, section 467 of the Criminal Code states that we should not make

public the proceedings at a preliminary inquiry, and I intend to respect that provision of the law.

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ROYAL CANADIAN MOUNTED POLICE

AUTHORITY TO SEARCH HAMILTON OFFICE OF MINISTER OF LABOUR—SUGGESTED INVESTIGATION

Mr. Eldon M. Woolliams (Calgary North): My question is also directed to the Solicitor General. Has he looked into the possibility that the RCMP did not have the authority, as stated by the Minister of Labour, to make the raid on the minister's office—whether or not it was his campaign office—search it and take certain documents, with consent or without consent? Has he looked into this matter in view of the fact that the RCMP is under his jurisdiction?

Hon. Warren Allmand (Solicitor General): I did not understand the Minister of Labour to have said that last night.

Some hon. Members: He certainly did.

Mr. Allmand: I will re-examine his words in *Hansard*. If they are as the hon. member says they are, I will certainly look into it.

● (1500)

Mr. Woolliams: I could help right now. At page 3535—

Some hon. Members: Order.

Mr. Speaker: The minister has undertaken to examine the words, and if there was another question, perhaps the hon. member would like to put it.

INQUIRY AS TO ISSUANCE OF RECEIPTS FOR DOCUMENTS REMOVED FROM HAMILTON OFFICE OF MINISTER OF LABOUR

Mr. Eldon M. Woolliams (Calgary North): I would like to ask the minister whether he made the statement at page 3535 of *Hansard*. Can the minister now say frankly whether he had enough presence of mind at that time when the RCMP came in without authority to demand copies of the documentation which justified the raid and whether he received receipts from them at that time covering any files, documents or any material which they removed from his office.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I do not know the precise date, but subsequently I received documentation, copies of which the RCMP may or may not have kept at their headquarters, wherever that might be.

PURPOSE OF SEARCH OF HAMILTON OFFICE OF MINISTER OF LABOUR

Mr. Eldon M. Woolliams (Calgary North): I wonder if the minister will confirm that the RCMP raid during the week of May 27, 1974, with or without authority, was relating in some respects to the alleged impropriety and possible fraudulent dealings with reference to the Hamilton Harbour Commission. Was it relating to that commission?

[Mr. Allmand.]

Mr. Speaker: Order, please. The point was raised yesterday about the propriety of questions touching the minister's responsibility as a minister of the Crown, which is the subject for which he is responsible in the House of Commons. I indicated then that questions which were posed yesterday which were brought under objection were not objectionable because they did not contain insinuations against the conduct of the minister in that way. Obviously, if questions are to raise that kind of insinuation, they carry with them a much different character than simply a question in the question period. I indicated at that time that I found no such insinuation but that when I did, I would indicate that I thought the question improper, and I must confess that I find that insinuation in the last question of the hon. member.

Mr. Woolliams: On a point of order, I am not suggesting for one moment by the question—and possibly it was my fault in the way I phrased my question—that there was any impropriety. However, a certain raid was made on the minister's office, and it was in reference to either some impropriety within the Hamilton Harbour Commission itself or something illegal, otherwise the RCMP would not be in the office. My real question is: was the raid made to seek documents in reference to the impropriety or illegalities connected with other people; nothing to do with the minister.

Mr. Speaker: In that sense the question would appear to be proper.

Mr. MacEachen: The question is absurd.

An hon. Member: How would he know?

Mr. Munro (Hamilton East): I believe that would be a matter for the Solicitor General to answer. I cannot determine what is in the mind of someone else.

* * *

TRANSPORT

REASON FOR WITHHOLDING PAYMENT TO CERTAIN MONTREAL COMPANIES FOR DREDGING IN ST. LAWRENCE RIVER

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is very intimately related to these matters, but it is directed to the Minister of Transport. In view of the fact that there have been ministerial statements attributed to the minister outside the House that the final payment under a $21 million dredging contract to the J. P. Porter Company Limited, the McNamara Company, (marine division), and Marine Industries Limited, all, I believe, of Montreal, on the Îles d'Orleans or north traverse project in the St. Lawrence Seaway has been held up by the minister, would the minister confirm in the House that this has been help up and tell us why it has been held up.

Hon. Jean Marchand (Minister of Transport): It has been held up, Mr. Speaker.

Mr. Lawrence: I did not hear the minister.

Mr. Marchand (Langelier): The answer is yes,

Some hon. Members: Why?

Mr. Lawrence: My question was why has it been held up?

Mr. Marchand (Langelier): It has been held up on the advice of the Department of Justice.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF CERTAIN MONTREAL COMPANIES IN CONNECTION WITH CONTRACT FOR DREDGING ST. LAWRENCE RIVER—POSSIBLE PROSECUTIONS

Mr. Allan Lawrence (Northumberland-Durham): My final question is to the Solicitor General, because I gather the RCMP has been seized of this matter at least since June of 1973, and the investigation has been taking place since that time. Would the Solicitor General inform us if the investigation has to his knowledge been completed and if charges or prosecutions are now pending.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the investigation is still under way, and the RCMP is not ready at this time to lay charges or prosecute.

REASON FOR WITHHOLDING PAYMENT TO CERTAIN MONTREAL COMPANIES FOR DREDGING ST. LAWRENCE RIVER

Mr. Lincoln M. Alexander (Hamilton West): I wonder if the Solicitor General could advise whether in fact one of the reasons for the non-payment of the $21 million contract is that the government is waiting for the disposition of court proceedings in Hamilton.

Hon. Warren Allmand (Solicitor General): Not to my knowledge, Mr. Speaker, but I will check on that.

Hon. Jean Marchand (Minister of Transport): I must say that we should not deal with this matter. It is sub judice because the department is being sued to get this money.

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[*Translation*]

SPORTS

PROTEST AGAINST HIRING TEENAGERS TO PROFESSIONAL HOCKEY

Mr. René Matte (Champlain): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

Does the minister intend to intervene once more in the current dispute between the Junior Hockey League and the Professional Hockey League about players who are hired at 18; has he taken or does he intend to take any steps to oppose the hiring of Toronto Toros' Mark Napier, aged 18?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the two professional leagues involved and the Canadian Amateur Hockey Association have agreed on the content of the new contract signed between these leagues and the association. As for measures adopted by individual members of such and such a league, it is a matter that comes under the responsibility of the leagues involved.

* * *

[*English*]

FISHERIES

FAILURE TO GET AGREEMENT WITH UNITED STATES ON WEST COAST SALMON—GOVERNMENT ACTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of State (Fisheries). In view of the problems Canada is now encountering in completing some kind of agreement on U.S. interception of the 1975 salmon catch on the west coast, and in view of the likelihood that without a change in the U.S. position there will not be an agreement in 1975, would the minister advise the House what plans his department now has to protect Canadian salmon stock from excessive U.S. interception this year?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, while recognizing that this problem is a long lasting one and a difficult one, I am not ready to arrive at conclusions which are as pessimistic as the hon. member indicated. There are meetings going on today in the Canadian group, and I will await the outcome of that.

Mr. Leggatt: In view of the reluctance of the United States to come to some agreement even on the present Canadian bargaining position, would the minister advise if it is his intention to withdraw from those negotiations and return to the principles agreed to in May of 1971 in which there would be an equality of interception of the total catch on the west coast rather than the present Canadian position? Also would the minister advise if he will seek the help of the Secretary of State for External Affairs so that we can put some pressure in to this bargaining situation and arrive at some solution?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, those are suggestions which I will undertake to consider very carefully.

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AIRPORTS

CHARLOTTETOWN—REQUEST FOR DECISION TO CONSTRUCT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Minister of Transport. The question is not about the Pickering airport but in reference to an area where a new airport is both required and desired. Now that he has lightened his packsack of problems, will the minister galvanize himself and his department and have construction begin on the already long delayed international airport at Charlottetown?

Oral Questions

NATIONAL REVENUE

SUGGESTED EXTENSION OF TIME LIMIT FOR COLLECTION OF SALES TAX—GOVERNMENT POSITION

Mr. Frank Maine (Wellington): Mr. Speaker, my question is for the Minister of National Revenue. Because of the failure of the Post Office to deliver the mail, will the government extend the time limit for federal sales tax payments by business establishments until postal service is restored, and if not, why not?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, the Excise Tax Act requires payment of those taxes to be collected by the end of the month. I would ask businesses which are holding sales tax to use their best efforts to remit the sales tax. Obviously, if they are unable to do so we will examine those cases and waive the penalties as provided under the law.

* * *

● (1510)

ABORTION

ALLEGED INCREASE IN NUMBER—GOVERNMENT ACTION TO REDUCE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I want to return to the subject of abortion which was opened by the hon. member for Provencher, and which I think requires a more precise answer. May I ask the Minister of Justice if he will unequivocally state the criteria for abortion to be used by therapeutic abortion committees in Canada in considering the health of a mother—

Mr. Speaker: Order, please. The hon. member must surely realize that both in terms of questions and general policy in terms of seeking a legal opinion this question is clearly out of order.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Roche: A supplementary, Mr. Speaker—

Mr. Speaker: Order, please. I cannot think of any way of allowing the hon. member a supplementary to a question which I have refused.

Mr. Roche: A point of order, Mr. Speaker. I do not claim to be expert in the rules of the House, but I think the people of Canada deserve a precise answer. If allowed to do so, I would try to form my question to elicit a precise answer on the matter of admissibility of abortion which comes under the jurisdiction of the Minister of Justice. I will rephrase my question if you will permit me.

Mr. Speaker: Order, please. The hon. member may try, but if it seeks the same opinion it is going to be met with the same result.

Mr. Roche: A supplementary question for the Minister of Justice. Because the abortion rate in the three richest provinces, British Columbia, Ontario and Alberta, is the highest in the nation by far, which indicates that abortions are being done for social as distinct from health reasons, what is the minister doing to reduce this needless escalation of abortion which is a continuing violation of the civil rights of the unborn child?

[Mr. Macquarrie.]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it should be perfectly clear to the hon. member and all hon. members that enforcement of the Criminal Code is in the hands of the provincial Attorneys General. Under the law which this House adopted several years ago certain specific grounds relating to the health and life of the mother are set out as the basis upon which an abortion committee can operate. Certainly, it is up to the provincial Attorneys General to see to it that the law in all its terms is upheld in accordance with the wishes of parliament.

* * *

GRAIN

CONTINGENCY PLANS TO ENSURE EXPORT MOVEMENT IN VIEW OF PUBLIC SERVICE STRIKE

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is for the Minister of Justice in his capacity as minister responsible for the Canadian Wheat Board. In view of the fact that there are approximately 14,000 boxcars locked in the prairies because of the current public service strike and, because there are about 28 ships now waiting in Vancouver harbour with escalating demurrage charges being calculated on a daily basis, would the minister indicate to the House whether he has formulated any contingency plan for the movement of this export grain in an effort to ensure that Canada's international reputation as a grain supplier is not subject to further humiliation?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, a number of plans are being looked at, both in connection with the immediate period and also in connection with an attempt to catch up as quickly as possible when conditions return to normal.

Mr. Speaker: Order, please. Orders of the day.

Mr. Alexander: A point of order, Mr. Speaker. My colleague, the hon. member for Northumberland-Durham (Mr. Lawrence) put several questions to the Solicitor General with respect to the $21 million dredging contract. I followed with a question to the Solicitor General asking whether one of the reasons for non-payment was the government awaiting the disposition of court proceedings in Hamilton. If I recall correctly, the minister said no, he did not think so, but he was going to check into it. Subsequently the Minister of Transport stepped in and indicated that this matter is being dealt with by the courts. This led me to believe that perhaps the Solicitor General will not be looking into this matter. He has already answered, but now he wants to check it out. I am trying to determine whether the Solicitor General will not proceed because he has already answered the question.

Mr. Speaker: Order, please. The Solicitor General has given an undertaking that he will check the facts and give an answer. I presume he will do so.

Mr. Lawrence: Mr. Speaker, I apologize for waiting so long to raise this point but it deals with a correction to *Hansard* of yesterday. This was brought to my attention at the beginning of the question period today, but the Minister of Labour was not in his seat at the time and I thought it better to wait until he was. When the question period started I did not want to interrupt. My point deals with a question I put yesterday. I had some difficulty in posing the question but I thought I got the answer from the Minister of Labour yesterday. That answer was no. The minister's answer, which I thought was no, does not appear in the *Hansard* of yesterday, however. I would draw Your Honour's attention to page 3537 of *Hansard*. The minister's answer does not appear. I may have been mistaken, Mr. Speaker, but I thought he said "no". If he did say no, I would like the correction to be made.

Mr. Speaker: Order, please. The hon. member for Northumberland-Durham is quite correct. I was watching the minister very closely for his answer and his answer to the final supplementary was clearly no. If *Hansard* did not record that it should have.

[*Editor's Note: See page 3537 for correction.*]

Mr. McGrath: A point of order, Mr. Speaker. I would draw Your Honour's attention to the fact that the hon. member for Simcoe North (Mr. Rynard) has tried on at least 30 occasions today to get the floor.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

The House resumed, from Tuesday, February 25, consideration in committee of Bill C-49, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Chairman: When the House rose last night clause 4 of the bill was under consideration.

On clause 4.

Mr. Peters: Mr. Chairman, despite the reluctance of the government to vote yesterday and the amusement of last night, I think the discussion produced some very new and interesting facts. One of the things that came out of that discussion was the fact that Syncrude was set up in a way totally different from any other company. I think it is fair to say that it was set up through the participation of the provincial and federal governments and, I presume, on the basis of our demonstrated need for oil in the east. Because Syncrude would be coming on stream to alleviate the developing shortage, the government used extraordinary methods to establish it, even taking equity in the company.

Although we passed a law, which I presume will be back dated, not to allow tax exemptions for royalties, we are making an exception in the case of Syncrude. If we do this, by a private bill or under the Financial Administration Act, we will establish a precedent. If the reason for doing it is so Syncrude can develop in the national interest, then I think this clause which would exempt Syncrude from the provisions of the act should not be included unless it be extended to cover companies such as Shell Imperial, Gulf and others that have indicated a desire to participate in the development of other segments of the tar sands.

● (1520)

Considering that the tar sands contain probably the largest known oil reserve in the world, and considering that our oil needs will be vastly greater in the 1980's and 1990's, why should the government limit its concession to Syncrude? Why not give concessions to other companies as well? I think the minister could do this easily by amending the bill before the committee. If he does not so amend the bill, every company which will want to explore and develop the tar sands will lobby in this House, until more concessions are granted. In any event, concessions granted through use of the Financial Administration Act lead to inequalities.

Surely we are not saying that the government is interested in seeing only Syncrude develop the tar sands. Other companies, perhaps privately owned, will also want to take part in tar sands development. They will exert pressure. Therefore, will the minister not consider amending the bill in order to provide for orderly development? I do not think the Financial Administration Act is an adequate mechanism for controlling development. I think the minister knows that members of parliament oppose the use of the Financial Administration Act for the accomplishment of purposes which can be achieved by other legislation.

Clearly, other companies in this country will want to develop the tar sands. They, too, will ask for Syncrude-type exemptions. Surely the minister is not saying, as I said just now, that only Syncrude should develop tar sands, that other entrepreneurs should not. If that is what he says, he has become a socialist. As surely as I stand here, the government will eventually pay for all Syncrude development, even before this parliament expires. The government will take over the operation because oil companies will find that such development without government help is not feasible.

If we are not to depend on outside suppliers of oil we shall need to bring on stream, by the year 2,000, at least eight additional tar sands plants. Such development will not be possible unless other companies are given Syncrude-type concessions. This can only be done through legislation. If the minister does not amend the bill, companies will seek exemptions through the introduction of private members' bills, or through use of the Financial Administration Act.

I think most agree that the Financial Administration Act is not the proper vehicle for the granting of such exemptions, and everyone knows how difficult it is to secure passage of a private members' bill. Further, there will not be harmony in the industry if part of it operates under one tax structure, and another part under a vertical partnership, joint venture, or whatever you may call it—what do you call it?

Mr. Turner (Ottawa-Carleton): Don't worry about any prompting. Make up your own speech.

Mr. Peters: The English language is developing week by week. The new term is "joint venture". Unless the bill is amended the minister will be subjected to tremendous pressures. I remember, when the Conservative government introduced amendments affecting pensions, INCO representatives came to Ottawa, exerted pressure, and induced the government to change those provisions. Unless the exemption provisions of this bill are changed, INCO and other similar companies in this country will ask for Syncrude-type concessions.

That procedure will be untidy, and unwieldy. At least eight other companies will seek exemptions. No reasonable person will stand for this sort of inequality in the tax structure. Consequently, the government will be subject to immense pressure. Judging from what has happened in the past, the government will not withstand the pressure—former governments have not withstood it—and grant exemptions to those powerful enough to demand them. Therefore, as the minister knows the limitations of the Financial Administration Act and the difficulties of securing passage of a private member's bill, he should amend the bill in the way I have suggested. If he does not the government will be subject to pressures from companies like INCO, Falconbridge and others involved in exploration, which can come to Ottawa with funds at election time.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, perhaps I can deal the point raised by the hon. member for Timiskaming. He dealt with some matters mentioned by his colleague, the hon. member for Nanaimo-Cowichan-The Islands. First, the arrangement with Syncrude is a joint venture. "Joint venture" is a construction or industrial term for a partnership. There is nothing new about it. A joint venture, as the hon. member's legal advisor, the hon. member for Broadview, knows, is a common term in the construction industry, in which companies bind themselves together for a particular project to which they dedicate a certain percentage of capital in return for a certain percentage of the profit, or agree to bear a certain proportion of the loss. But they remain separate units, just as members of a law firm remain separate individuals, and share profits or bear losses, as the case may be.

An hon. Member: Since when do lawyers lose?

Mr. Turner (Ottawa-Carleton): I can say, on behalf of a number of lawyers in the House of Commons, that this has happened in the last 10 or 12 years.

An hon. Member: You mean, lawyers have lost?

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Let me say, in response to the laughter from the NDP side of the House, that some of the most successful practitioners happen to be sitting on that side of the House.

Let us get down to cases. First, the Syncrude joint venture and the arrangement that is reflected in the taxation situation are not retroactive. When the minister of finance of Alberta approached me, he said "Look, we got this joint venture setup with four companies getting together. Alberta will have 40 per cent of the deal. We want to ensure the tax arrangement under which we are setting it up has some reasonable permanence so we all know what we are doing. We in Alberta consider this a very important enterprise. Would you give us this undertaking?" I said fair ball, and I did.

● (1530)

I am talking about the fact that the royalty deductibility in the sense of not attributing to the four companies the 40 per cent of the income that goes to the province of Alberta, as one would under a fair market value sort of proposition, under the present arrangement applies to whatever share of the income that now goes to Ontario or the federal government. It will not be attributable to the private sector.

There is nothing unusual in that insofar as partnership law is concerned because one is only taxed on one's percentage. Because of the non-deductibility features and the fact we extended it to the fair market value rule, we have to make it an exception under this bill. This is not a retroactive deal. It is an arrangement I made on behalf of the government of Canada, at the request of the province of Alberta, with the four partners concerned. It is not an under the table deal. It is right out here on the floor of the House of Commons. It is confirmed in writing by me to the partners concerned.

I do not like the sometimes under the table operations of the Financial Administration Act in terms of its remission authority any more than the hon. member. According to the Statutory Instruments Act, any order in council under the Financial Administration Act would have to be publicly examined by the statutory instruments committee. That will be the case. The hon. member asks why I, as Minister of Finance, do not put myself in a position where I can resist similar pressure by putting in an amendment to this bill. He has got an arguable point. I do not minimize it. I tried to think this through the way he has. What I need now is a bit of flexibility until we see what the final contractual relationship is as the Syncrude project develops.

The hon. member for Nanaimo-Cowichan-The Islands asked the Minister of Energy, Mines and Resources about future Syncrude type deals. The Minister of Energy, Mines and Resources said we would have to look at them on their merits. It may be that, as we see the Syncrude or tar sands development mature, we will have to come back to the House in a more definitive way. I concede that. At the moment I need the flexibility of the Financial Administration Act, subject to its publication by an order in council, reviewable by the House, until I see how the tar sands operation in its entirety develops. I repeat that it may be we will have to come back in a more definitive way before the House. I concede the force of the hon. member's argument. However, I ask him to put himself in my position at the moment because we are in a pioneer venture. We do not really know how it will mature in legal, financial or taxation terms.

Mr. Peters: I am not too clear. In the joint venture is there a difference between how the royalty applies to the government percentages as against the company? For

example, if one of the companies has 20 per cent, is the royalty calculated only on the 20 per cent and the total added up to 70 per cent because the governments have 30 per cent? Do I gather there would not be any royalty on the government 30 per cent, that the other percentage would only be on the partners which are in a position to depreciate?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Chairman. In the original Syncrude arrangement, to which later partners were added, Ontario and the federal government, that really does not enter into the taxation scheme. First, Alberta takes 50 per cent off the top. Then, for their equity participation, they get 40 per cent. The remaining 60 belongs to the four partners, now three partners, whatever it is. The partners will only be taxed on that 60 per cent, depending on their participation. That is all.

Mr. Benjamin: I think I have this, Mr. Chairman, but I am not sure. Let me put it another way. For example, if you take their share of the product and one of the private companies receives as its share 10 per cent of the product, will clause 4 apply to that 10 per cent in that any royalty they pay on that to the province of Alberta cannot be deducted as an expense?

Mr. Turner (Ottawa-Carleton): The answer is no, Mr. Chairman. What happens in the joint venture is that Alberta gets the first 50 per cent. It is against that 50 per cent that there is no deductibility of royalty or the equivalent of a royalty. With regard to the remaining shares, suppose Imperial Oil gets 15 per cent, and that is not the accurate figure, but suppose they elect to take it in oil, there is no further royalty paid on it because Alberta already has its 50 per cent. The non-deductibility feature is really to exempt Imperial Oil from paying its share of the non-deductibility feature of the 50 per cent already paid to Alberta. That is the only feature of it. The remaining profits have nothing to do with royalty because Alberta has taken its share, not by royalty but by percentage of the deal.

Mr. Symes: I would like further clarification. We were talking about the Syncrude deal which was 70 per cent ownership by the private oil companies, 15 per cent by the government of Canada, 10 per cent by the government of Alberta and 5 per cent by the government of Ontario. The minister is talking about Alberta having the first 50 per cent. Is this 70 per cent, 15, 10 and 5 per cent, to apply to the other 50 per cent? I would like that clarification.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the deal is that Alberta gets 50 per cent off the top before the profit shares apply.

Mr. McKinnon: Mr. Chairman, far be it from me to enter this debate at this late stage in order to hold up the bill. I am as interested as other members on this side in getting it through as quickly as possible, it having been discussed rather thoroughly.

In connection with the saving of energy resources that we are going to such expense to develop, has the minister considered lowering the 15 per cent import duty on small imported cars? I ask this for two reasons. First, imported cars generally are the greatest gas savers on our roads. Second, it is the highest import duty today in the industrial world of cars.

In Canada, there are 1,200 small businesses involved in this. In my own constituency of Victoria, there are over 400 people employed in selling or servicing small imported cars. These people are being driven to the wall because of the devaluation of the Canadian dollar, particularly in comparison with the German mark and the Japanese yen. I therefore ask the minister if he has considered removing this 15 per cent duty? Of course he may have to go another step with the removal of sales tax on domestic small cars. If it is too late in the day for the minister to consider making the change in this bill, would he consider further representations by letter?

Mr. Cullen: Mr. Chairman, an excellent brief and representation have been received in this particular area from the car importers. What we have to do is look down the road if that particular tariff item is removed. Aside from the impact in a positive way, which the hon. member is talking about, on the employees employed by the car importers in Canada, what would be the impact on automobile manufacturers in Canada? The importers are taking the stance that they would give competition to the big three or big four in Canada, and this would not have a detrimental effect on employment. We are not sure that this is in fact the case, but the car importers have made full representations.

● (1540)

I think the hon. member is correct in saying that further representations are being made, and have been made as recently as last week to the department, and I believe an appointment is set up for a meeting during the week of March 3 to look into the matter further.

Mr. McKinnon: As I believe the hon. member realizes, the problem arises from the devaluation of our dollar which means, for instance, that the cost of a Volkswagen has gone up by 30 per cent without there being any corresponding rise in its market value in Germany. I am pleased to hear the matter is being considered. I shall be making further representations myself.

The Chairman: Shall clause 4, as amended, carry?

Mr. Knowles (Winnipeg North Centre): No!

Mr. Symes: I should like to make some comments about this situation. We are getting bits of information in dribs and drabs as we discuss taxation of the resource sector in relation to the Syncrude project.

Last night we were treated to the spectacle of the government not having enough members in the committee for a vote to be taken. We saw government supporters standing up and delaying proceedings until there were sufficient Liberal members in the House. They were making all kinds of irrelevant comments.

We have been able to put together, through persistent questioning, a number of facts and to draw some conclusions as to just what is happening in this whole Syncrude project, or should I say Syncrude sell-out. We have learned that the government is putting up money not only by way of direct grants in return for equity holdings. Through the

admission of the Minister of Finance last night we discover that during the tax regime that applies to the oil company partners in Syncrude, the public in the end will be paying most of the cost of this project through tax concessions and write-offs in return for only 30 per cent of the action.

Let me review what we have discovered. The project is to cost $2 billion. There has been a fantastic escalation in the price from around $800 million to $1.2 billion to $2 billion, and there is some suspicion it may go even higher. Of that $2 billion we learn that $600 million will be put up by the three governments involved: $300 million by the federal government, $200 million by the Government of Alberta and $100 million by Ontario. That is $600 million for 30 per cent ownership of Syncrude.

In addition, the government of Alberta is putting up another $200 million in loans to the oil companies in the Syncrude project and providing $600 million toward the construction of a power plant and a pipeline, besides a further $230 million for building roads and supplying town services. The federal government gave a commitment as well that it would assume 15 per cent of the cost of the project or, more important, of any future cost escalation. Already we find that the cost estimate has risen by some $200 million since the government committed itself in principle to becoming a partner in the Syncrude project.

Having put up $600 million in direct financing of the Syncrude project, the governments concerned have been telling the people that the rest of the Syncrude partners will be putting up the remaining $1.4 billion in return for 70 per cent ownership. But last night we learned that because of the tax regime applicable to the Syncrude project the oil companies will not, in fact, be putting up $1.4 billion. It will be the public. Mr. Chairman, the public will be financing the bulk of the cost. Let me explain.

We learned last night that Syncrude will be able to deduct the royalties paid to the province from any income which is liable to federal taxation. This will mean a tax saving of vast sums of money. No other oil company in Canada now has the privilege of being able to deduct the royalties paid to the provinces.

The second concession on tax allowance is that the Syncrude oil company partners will be able to claim depletion allowances in respect to the oil taken out of the oil sands. The allowance will have to be earned and it will be up to 25 per cent of production costs. We also know that the Syncrude partners will be able to write off against their tax 30 per cent of the cost of building the mining plant to get oil out of the sands. Again this is worth vast amounts of money to the companies.

The fourth, and perhaps the most important aspect of the tax concessions affecting Syncrude, is that since it is a joint venture any investment can be written off against taxable income gained through other operations. The oil companies, which are making profits through selling gasoline or home heating fuel from conventional reserves, can use their profits in that area for tax concession purposes as a means of offsetting the cost of the Syncrude project. The significance of this aspect of the deal is staggering because it means that their investment of $1.4 billion in Syncrude can be written off against profits on other operations carried out by the oil companies. This is why I say that in the end the public will be financing all the costs of the Syncrude project, not the private companies.

The other concession going to the other oil company partners is that they will be able to charge world prices for the tar sands oil.

● (1550)

We have one oil sands plant already in production, namely, the Great Canadian Oil Sands Plant. It is making a profit now on oil that is selling at $6.50 a barrel. The oil barons of the Syncrude deal twisted the government's arm to get the concession of not charging $6.50 per barrel but being allowed to charge anywhere from $13 to $15, that is to say, the world price. One can just imagine the fantastic kind of profits that Imperial, Gulf and Cities Service will be making under that pricing regime, especially in light of the tax concessions I have described.

It is interesting to note that the Foster economic consultants' report on Syncrude operating costs prior to this sudden escalation of the price of oil estimated that over the 25-year life of the project the operating costs would total $5.6 billion, or $5.45 a barrel. Syncrude will be getting anywhere from $13 to $15 a barrel for this oil.

We should also remember that the Syncrude oil is a synthetic oil, that is to say, it is in a semi-refined state and therefore its real value is greater than the value of the average crude since it is in a higher processed state. That raises the question as to whether Syncrude really needs the world price for its oil in order to make a profit. I maintain that they have misrepresented the real value of the oil, and have exaggerated the costs in order to get the commitment from this government to be able to charge the world price.

I should like to elaborate on how this has been allowed to take place by using, as a comparison, the procedure of the Great Canadian Oil Sands Company that is already in production in the oil sands. Let me refer to an article by Joseph Yanchula in the "Canadian Forum" of December, 1974. The article is headed "The Politics of Petroleum". He outlines the very interesting accounting procedure that Great Canadian Oil Sands used to fool the government as to the real value of that oil the company was producing, and its actual profit picture. I quote from the article as follows:

> Undoubtedly the defence for the giveaway of the tar sands will be the high cost of exploration and the so-called losses of the G.C.O.S. project which were supposed to total $88 million to the end of 1972. During 1972 this company was supposed to have a loss of $680,000. Examination of the 1972 annual report shows an income of $62,284,000 and an operating cost of $48,713,000 which leaves an operating profit of $13,571,000. The loss is manufactured by deducting allowances totalling $14,251,000 for amortization, interest and depreciation. Corporate accounting is an art invented to demonstrate how it is possible to lose money and still grow rich.
>
> There is a growing suspicion that G.C.O.S. profits are actually far greater and that they are being deliberately transferred to Sun Oil Co., the parent corporation, by underpricing the synthetic crude. G.C.O.S. claims to produce three liquids which are blended together before being shipped to Edmonton.

As a result the actual oil is of higher value than stated by the company. So we see that when the minister talks about real market value he certainly has not been applying that to the existing oil sands company, Great Canadi-

an Oil Sands, because it has been able to declare a loss when it was actually making a profit.

I suspect that the Syncrude partners are using the same kind of mathematics to bamboozle the government, hence the Canadian taxpayer, into giving concessions and higher world prices for the oil that should be set at $6.50 a barrel rather than $13 to $15. We have been misled by oil companies in the past, as demonstrated by the history of exploration for and exploitation of oil in this country.

The government has been misled by the Syncrude partners in the deal the government committed itself to a few Mondays ago in Winnipeg, and it would seem to me that when it comes to the point where the public of Canada is putting up the vast majority of the funds for the Syncrude project, and in return only retains 30 per cent ownership, we should be putting up all the money and getting all the benefits in terms of ownership. We should move toward complete public ownership of the Syncrude project. I suggest we could do this as we are going to put up the money anyway.

We might as well retain control of the project in order that we can develop these oil reserves, which are much greater than the total reserves in the Middle East, in the interest of Canadian economic needs, rather than that of some foreign multi-national oil company. In this way we could develop this oil at a Canadian price for Canadian consumers so they will not be exploited as a result of artificially high oil prices.

This is why we in the New Democratic Party so firmly oppose this kind of Syncrude sell-out that the Liberal and Conservative parties have supported up to this time. It is up to the Canadian people to make their views known to the government in order to prevent this horrendous sell-out.

The Chairman: The question is on Clause 4, as amended.

Clause 4, as amended, agreed to: Yeas, 58; nays, 14.

● (1600)

The Chairman: The committee will now proceed to the consideration of clause 7, as amended. Shall clause 7, as amended, carry?

On clause 7, as amended.

Mr. Nystrom: Mr. Chairman, again on clause 7 I want to say to the committee, and particularly to all the Liberal members who are now leaving to get back to their offices after the vote, that this committee should once again reconsider—

Some hon. Members: Oh, oh!

Mr. Nystrom: What I will do is to speak to the ones who are staying.

I will ask them to reflect once again, after what happened last evening, on whether or not there is a possibility of having the clauses of this bill that are relevant to resources and royalties delayed until a date after the first ministers' meeting in April. After listening to the long debate last night in the House, I am sure that the Liberal members will be willing now to reconsider their position.

On the basis of goodwill, co-operation and national unity we, on the opposition side of the House, are suggesting that we should delay the proclamation of all the clauses pertaining to royalties and resources until the first ministers' meeting has been held. I know that I have the agreement of hon. members such as the hon. member for Nipissing, who is generally a very co-operative fellow, and who is concerned about development in northern Ontario.

I know that I also have the co-operation of some of the prairie members. I see here the hon. member for London West. I am sure that those hon. members are concerned about the development of this country, particularly the outlying parts of the country, and in order to allow this development to take place we need the co-operation of all the provinces.

It is about time that we went to the provinces in a co-operative spirit instead of going to them with a club. It is about time we said to the provinces, "If we cut into your resource revenue, we will give you a chance to develop in other ways. We will tax you differently and we will give you a chance to process and develop your raw materials".

For these reasons I want to move an amendment to the clause without speaking any longer. I move:

that clause 7 of Bill C-49 be amended by adding thereto, immediately after sub-clause (6) the following new sub-clause:

(7) Subsection (1) and subsection (5) of this section shall not come into force and have effect as law except upon proclamation of the governor in council following upon the expiration of the fifteenth day of April, 1975.

In effect that is the same wording as the wording of the clause with which we dealt earlier. I think it is very important that we test the feelings of the committee once again. I am sure that the Liberal members, being as generous as they are, might have reconsidered their position since last evening. They might be much more co-operative now when it is earlier in the day than they were last night when they were caught off guard and embarrassed by the parliamentary process. I am sure that they are now in a much more co-operative frame of mind. That is obvious from the fact that we see so many ministers in the House, including the Minister of State for Urban Affairs.

This is my last plea, that in a spirit of goodwill and co-operation we ask the Minister of Finance to delay the proclamation of the clauses of this bill that pertain to resources and royalties until after the first ministers' meeting. I am sure that the hon. member for York-Simcoe and others in the Conservative party and the Social Credit party agree with what I am saying. I think that most Liberals also do so at heart, except if they have in mind future Senate appointments, appointments to the cabinet or appointments to the bench. I think they would be happy if the Minister of Finance were to acquiesce.

Some hon. Members: Question.

The Chairman: The amendment of the hon. member for Yorkton-Melville is before the committee. Is there agreement to it?

Some hon. Members: No.

Mr. Benjamin: Mr. Chairman, the hon. members across the way seem to think we are doing this for fun.

Some hon. Members: Yes.

Mr. Knowles (Winnipeg North Centre): Shades of last night.

Mr. Benjamin: But to us this is not fun. We are trying to make a sincere and genuine effort to persuade members on the government side. Whether or not we succeed is not the point. I want to warn hon. members. I predict that what they are doing strikes at the very foundation of confederation.

Some hon. Members: Oh, oh!

Mr. Benjamin: If a national government, which has campaigned in three successive elections on the principle of conserving confederation and national unity, proceeds to pass legislation that removes the right of the provinces in an area which the constitution reserves to them is not striking at the foundation of confederation, then I do not know who is.

An hon. Member: Let's not be provincial.

Mr. Benjamin: I will not take a back seat to any hon. member—in fact I think I am in the front seat compared to the hon. member who interjected when it comes to being for a strong confederation and a strong central government. It is only the NDP that is accused of wishing to centralize everything. In so far as a strong, national, central government is concerned, I will not take a back seat to any member of this House.

For confederation to function properly there must be consensus, accommodation and mutual agreement. We have had many examples in the last 100 years of matters that have divided us, in most cases, on economic grounds, on grounds of taxation. We have had one region pitted against another region, or all provinces against the federal government. In the present situation, nine of the ten provinces are opposed to what the government is trying to do.

I agree that the federal government must protect the national interest, in the cause of confederation and national unity. It is entitled to a fair share of the revenues. However, this can only be arrived at as a result of agreement on both sides. There has been no accommodation from the government. This is not a one way street. To use this method of disallowing royalties as a deductible expense only in the case of governments and not in the case of private companies—that inconsistency alone should have jarred any fair-minded Liberal because Liberals profess to be reasonable and fair and great democrats.

● (1610)

An hon. Member: We are.

Mr. Benjamin: They all say that our law should be fairly applied, and here they stand up like sheep and support a piece of legislation which openly states that the disallowance of royalties will not apply when it is paid to private companies, but that it will apply when it is paid to a provincial government. How can you have it both ways and call that fair and equitable?

Mr. Nystrom: They have wool over their eyes.

[Mr. Benjamin.]

Mr. Benjamin: We do not ask members opposite to vote against their own legislation or against their budget bills. We only ask them to hold off for another couple of months. What is unreasonable about that? I have heard a number of hon. members opposite say that they are reasonable men, and here is their opportunity to prove it.

I want to say to the Minister of Finance that the acceptance of this amendment would not be looked upon by myself or my colleagues as any kind of backing down. We would look upon it as a gesture by the Minister of Finance, and by the government, equivalent to the gesture which has already been made by the premiers of the two oil producing provinces. We would look on it as a piece of statesmanship, and evidence of a genuine desire on the part of the federal government and the Minister of Finance to go further to reach accommodation and mutual agreement with the provinces in the interests of our confederation and national unity.

I want to warn hon. members that this has nothing to do with whether we are Liberal, NDP, Conservative or Creditiste, but it has to do with what binds this country together. I just cannot understand the reluctance to do this reasonable thing. I wish hon. members could have agreed to that on clause 4 last night. There is no wish on our part to make this a partisan political matter, but if the legislation is passed as it is, we are left with no choice. This is the time for parliament, the government and the Minister of Finance to demonstrate that willingness to reach accommodation and mutual agreement.

I accept the telegram from Premier Blakeney—which I hope my colleague will hand back to me—and I think the Minister of Finance will as well because he likes and respects that gentleman as much as I do. It indicates that the province of Saskatchewan desires to reach accommodation and agreement. I believe the same is true of Premier Lougheed, and I am certain of the other seven premiers who are opposed to this attempt by the federal government to get what it considers a fair share of these revenues. The government is aware of the desire of the provincial premiers to reach agreement.

Premier Blakeney asks in his telegram:

> . . . I would request that the federal government give consideration to delaying passage of that portion of the income tax bill pertaining to non-deductibility of royalties until after the conference.

He is not demanding that the bill should not pass. He is asking for the delay of the bill until after the conference.

> If it is not considered possible to delay the passage of legislation until that time . . .

Premier Blakeney further suggests that we:

> . . . consider amending the proposed legislation to provide for the adoption of principles similar to those recognized in the recently-announced Syncrude arrangement.

Surely that can only be arrived at by further discussion. This is a perfectly reasonable request, but what is more important is that it is a way of telling us of a willingness to try to reach agreement and accommodation. Our doing an equivalent amount here does not defeat the legislation, does not defeat the budget and does not rule out what the Minister of Finance wants to do. It only delays it for a couple of months; that is all. Surely that is a reasonable and fair request. If it can be done for oil and gas, it can be

done for iron ore in Quebec, hydro electric power in Quebec and Newfoundland, nickel in Ontario, forest products in British Columbia, and gold in Ontario.

Mr. Peters: Hear, hear!

Mr. Benjamin: Had the world price for iron ore escalated as it did for oil, I wonder what members of parliament from Ontario, Quebec and Newfoundland would have said in this House when the Minister of Finance tried to disallow the royalties on that iron ore being paid to those provincial governments.

Had the world price of asbestos escalated like that of oil, I wonder how many hon. members from the province of Quebec would have been delighted with the Minister of Finance disallowing royalties paid to the province of Quebec for that asbestos. Had the world price of copper kept escalating, how would British Columbia and Manitoba have felt?

I ask hon. members to think about what they are doing. If hon. members opposite believe and agree with the Minister of Finance that this forever and a day shall only apply to oil and gas, then they really have a fight on their hands. But if they are saying that it will apply to everything, they should think more about confederation, about what the British North America Act says, and about further genuine and sincere effort from all sides to reach accommodation and mutual agreement on this issue because, if they do not, the issue will haunt this parliament and country for years to come. By God, don't do it; but if you insist that it must be done, make another effort first to reach agreement and accommodation. That is the least that can be done.

We must not be guilty of failing to use every possible opportunity and avenue. It is a national concern. It has nothing to do with how good any political party is, or how much better one province or area is than another.

I suppose this measure shocked me almost as much as the government bringing in the War Measures Act. It shocked many thinking people in our country that a national government should use this method.

Mr. Nystrom: Liberals don't think.

Mr. Benjamin: Even for the sake of argument, if one were to admit that the federal government were right in its fears about what would be happening to the financial structure and tax system in this country, surely this is not the way to do it. This is not the way to put an end to those fears and solve the problems the government thought would be created. Surely this is the wrong way to go about it. Even if the government felt that this was the way to go about it, it has not yet exhausted every possible avenue to solve the differences between the provinces and the federal government, and I will not for one minute suggest that Premier Blakeney and the NDP government of Saskatchewan are 100 per cent right. No one is 100 per cent right on anything.

An hon. Member: Least of all this government.

Mr. Benjamin: Surely hon. members opposite do not claim that they are 100 per cent right on everything, or that the Minister of Finance is. Surely he would be prepared to agree for the sake of the country, and not add to the anger, real or imagined, of the people in that part of Canada. The minister should have accepted this amendment last night. This legislation would become law immediately, with just a handful of clauses being delayed for a couple of months.

• (1620)

Members of this parliament and members of the provincial legislatures have worked hard to make this country a success, and generally have succeeded. There are countless examples of leadership at the national and provincial levels in the past 105 years, and here is another opportunity for leadership. I cannot understand why the minister refused it. I do not look upon him as a mean and stubborn man.

An hon. Member: Just stupid.

Mr. Benjamin: What is there to lose?

Mr. Epp: Pride.

Mr. Benjamin: There is so much to gain, and surely there is no harm in trying again. Obviously Premier Blakeney and Premier Lougheed want to keep on trying, so why does the Minister of Finance not try to reach that mutual understanding and agreement that are necessary if federation is to succeed? Instead he undermines and betrays our confederation and nationhood. I wonder what he would say if this oil and gas belonged to Ontario and Quebec.

I hope some other hon. members will speak after me so that the minister will have a few more minutes to think about this.

Mr. Nystrom: A couple of days.

Mr. Benjamin: Mr. Chairman, I know that I sometimes appear to hon. members to be frivolous, but I have never been more serious as a member of parliament than I am at this moment. I plead with all members, in the interests of our country and this parliament, to accept the amendment.

Mr. Stevens: Mr. Chairman, some questions are still outstanding concerning clause 7, and perhaps the minister could deal with them before we have a division on the proposed amendment. I would refer the minister to page 3234 of *Hansard* where, in speaking on clause 7 as it refers to real estate, I asked the minister to consider my remarks and those of the hon. member for Kingston and the Islands and to advise if he could amend the legislation to ensure that small builders would not be unduly hurt by the provision. If he did not see fit to do this, I also asked if he would explain his position more fully to this committee.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have already indicated to the committee that there is no way we can distinguish between builders, for the purposes of this legislation, in terms of volume or size. I think the hon. member for Broadview dealt with it conclusively, following what I said. I have nothing to add to the full explanation given when the clause was introduced.

Mr. Stevens: Mr. Chairman, I think if the minister were candid he would admit that the government does not wish to make the amendment to help the builder who is not a speculator. These people have made representations to the government on the grounds that they are going to be severely handicapped by the minister's actions.

I should like to touch on something that I have brought up twice before. On both occasions the minister chose not to be candid with the House. On February 10 he said that certain figures I used in this debate were misleading, that they were like comparing apples and oranges. On two occasions I have asked him to point out the discrepancy. He has already admitted that he perhaps misled the House with regard to one set of figures, but he has not commented on the more glaring errors he put on the record of *Hansard* for February 10 to which I have referred.

The last time I raised this with the minister was at page 3199 of *Hansard*, when I again asked the minister if he would correct the mistake that he had put on the record concerning the figures he referred to, but he chose to take no action. Since that time the minister has told me that he would read my remarks and his own, and would hopefully make a further comment. Again I ask the minister for the third time if he is prepared to make any further comment on the matter?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have reread the remarks and I have no further comment to make.

Mr. Stevens: Mr. Chairman, this is something I do not understand about the working of parliament. Here we have a minister—he is winking now because he thinks it is a joke—who, according to *Hansard*, has misled this House. Three times in a row he has had the nerve to stand up and say that he has no further comment to make, that he does not wish to set the record straight.

Some hon. Members: Shame!

Mr. Stevens: I do not understand how the government can expect to have the respect of this House and the public when the Minister of Finance misleads the House as he is doing.

The Deputy Chairman: Is the House ready for the question?

Some hon. Members: Question.

The Deputy Chairman: The question is on the amendment to clause 7 proposed by the hon. member for Yorkton-Melville.

● (1630)

Amendment (Mr. Nystrom) negatived: Yeas, 20; nays, 49.

Mr. McCleave: Mr. Chairman, I regret having to stand up on a question of privilege arising out of the vote taken just now. To my knowledge at least one member voted who was not inside the curtain when Your Honour called the vote. I believe, from what my colleagues tell me, that others did the same. I think such conduct is reprehensible. I note that when a person on our side entered, those on the other side were quick to note his coming in. He obliged, went out and did not take part in the vote. We point out that we saw some members enter. I am looking at the hon. member I have in mind. I was sorry to see him doing that. My colleagues saw others do the same. I think such conduct is reprehensible and unworthy of the dignity of this chamber.

Some hon. Members: Hear, hear!

The Deputy Chairman: I thank the hon. member for raising the point he just raised. All hon. members, of course, will be aware of the provisions of Standing Order 12(2), which reads:

When Mr. Speaker is putting a question, no member shall enter, walk out of or across the House, or make any noise or disturbance.

Mr. Paproski: On a point of order, Mr. Chairman, I think hon. members should rise and declare themselves if they were not in the chamber when the vote was called. I think those two hon. members ought not to be included as taking part in the vote.

Mr. Symes: Be honest, stand up.

The Deputy Chairman: The question is on clause 7, as amended.

Clause 7, as amended, agreed to: Yeas, 73; nays, 25.

Clause 9, as amended, agreed to.

The Deputy Chairman: The question now is on the amendment to clause 35.

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

Clause 35, as amended, agreed to.

On Clause 37.

The Deputy Chairman: Shall the amendment to clause 37 carry?

Mr. Andre: Mr. Chairman, I will not take up the time of the committee but want to add one comment on the matter of deductibility of capital depreciation and other development expenses, as this question relates to Canada's proven recoverable reserves of petroleum. I think all recognize that we face a potentially serious shortage of petroleum production in Canada. In the near future we may become net importers. This necessitates our increasing the volume of proven recoverable reserves. One of the most promising ways of increasing proven recoverable reserves quickly is by using enhanced recovery techniques in existing reservoirs. These involve development expenses in connection with the drilling of extra wells and the use of water flooding and miscible flooding techniques.

The minister must recognize that changes in taxation policy affecting development expenses will have an impact on the promotion of enhanced recovery methods which need to be adopted to increase our proven recoverable reserves. I hope the minister will consider allowing the deferment of these expenses until costs are recovered because, in view of what could happen, it would be a shame if government action were to compound an already serious situation to do with security of supply. I therefore hope the government will be flexible and consider the possibility of eliminating some taxes, or amending certain

tax provisions. As we shall need more oil for Canada's future use, incentives should be provided so that companies will spend money on enhanced recovery methods and recover oil more efficiently from those reserves already discovered. Additional money needs to be spent on reservoirs which have been discovered if extra oil is to be available for Canada's use.

Mr. Symes: Mr. Chairman, clause 37 is the fair market value clause, and it is immensely important to the provinces. I should like the minister to clarify the intent of this clause. I understand that the clause works this way: if an operator sells oil, gas or minerals to the Crown, his product will be deemed to have been sold at fair market value. For example, if the operator sells oil or gas to the Crown for $1 per barrel and the Crown authorities resell the product for $11 per barrel, the fair market value of that product will be deemed to be $11 per barrel. This means the resource company will be taxed on that $11, the price it is sold to the retailer, rather than the price at which it is sold to the Crown corporation.

● (1640)

The real object of this amendment is to prevent a Crown corporation, or an agency such as the province, from nationalizing any sector of the resource industry in that province or forcing the resource industry to sell to the Crown at a low price.

The effect of the amendment is to put a tax squeeze on the resource operator from whom the resources are bought by forcing him to declare, for tax purposes, the higher price at which the Crown resells the resource. In other words, if a provincial government, duly elected by the people of a province, wants to set up a marketing system and get a higher return for its own natural resources, it will tell an oil company that it may get the oil out of the ground, but the province will determine at what price the oil company sells the oil to the provincial marketing agency, and the government will decide at what price it will resell the oil to the public or for export markets.

By this clause the government is using the tax system in effect to double tax the resource company to the point of putting it out of business in order to thwart any attempt by a province to set up a marketing agency. If a company is selling the oil for $1 a barrel to the marketing agency and the marketing agency is selling it for $11 a barrel, the company will be taxed as though it received $11 for its oil rather than only $1. This is an infringement on the right of a province to decide what the economic rent will be for its natural resource. As I say, a government democratically elected within a province should have the right to decide at what price its natural resource will be sold.

I do not see any reason for the federal government assuming this method of punitive taxation as an attempt to prevent the Crown corporations or provinces from nationalizing their resource industry. I would like the minister to state whether I am correct in saying that the real object of this amendment is to prevent a Crown corporation from nationalizing any sector of its resource industry.

Mr. Turner (Ottawa-Carleton): No, Mr. Chairman.

Mr. Symes: I would like the minister to explain the rationale behind this, and why he thinks my interpretation is wrong.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the purpose of the clause is to ensure that not only a royalty is not deductible, but any disguised royalty. As I explained on several occasions to the House, the federal government was concerned that the royalty was no longer a flat payment against production or volume—against a gallon, a ton, an ounce—but was in effect a disguised tax escalating against profit or price. There are all sorts of mechanical vehicles by which a province can levy its economic rent or impose its tax. A royalty is one. The difference in price that a marketing agency pays a producer and on sales to the consumer is another.

The purpose of this clause is to attach a value against which an imputed royalty is set for purposes of non-deductibility in the case of marketing agencies and in the case of joint ventures between a province and private corporations. That is all it does. It in no way pre-supposes or presumes upon a province as to how it wants to impose that tax or royalty. It just ensures, by whatever method it does, that the market value is treated evenly across the board. That is the only purpose of this clause.

Mr. Symes: Mr. Chairman, I find two things wrong with the minister's reasoning. First the minister as a federal agency is setting himself up as judge and jury as to what is a flat rate, a fluctuating royalty or a tax rate. In other words, because the minister is not satisfied with the royalty the province is charging, he can redefine it as not being a royalty, but merely a form of tax. He is taking an arbitrary decision from the point of view of the Minister of Finance. This is an outright attack on one of the fundamental concepts of our constitution, namely, that resources belong to the province and the province has the legitimate right to get whatever economic rent seems justifiable. I object to the minister being the arbitrary judge of what he says is a flat royalty as opposed to a disguised kind of tax.

The minister objects to the provinces getting more income from this method of taxation. I remind the minister he has the power through federal income tax to raise federal revenues. For decades the federal government taxed the resource industry by means of income tax at a ridiculously low rate. If the federal minister now wants to make up that lack of taxation revenue or that lack of foresight, he has a method to do that. That is through the federal income tax legislation. That would be a fair way of doing it.

The whole point that we in the opposition have been objecting to is the federal government's arbitrary decision making with respect to taxation policy. The federal government is arbitrarily infringing upon an area of resource management which, by the terms of our constitution, should be left in the hands of the provinces. This is why we want these clauses of the bill to be delayed until the first ministers' conference in April. In a spirit of co-operation and fair play and upholding the principles of confederation, this whole matter could be discussed and some accommodation reached between the federal government

and the provinces instead of this arbitrary and unfair action being taken.

Mr. Nystrom: Mr. Chairman, I am always about to forgo asking any questions until I hear the Liberal backbenchers heckling. We can facilitate the passage of this bill if the committee will only listen for a moment or two. I wish to ask the minister one or two questions. I think I know the answers. However, I want to be very clear and to have this on the record.

In Saskatchewan there is the Saskatchewan Power Corporation. It is a publicly owned utility that provides electricity to the people of Saskatchewan. It purchases gas at the lowest possible price and sells to the consumers in the province at the lowest possible price. It is trying to give a service to the people of Saskatchewan.

Is there any way the minister can interpret this legislation to say that the Saskatchewan Power Corporation is not selling gas to the Saskatchewan consumer at a high enough price, or is not selling it at the fair market value? It buys the gas at low cost and sells it to Saskatchewan consumers at low cost. That might be below the fair market value on the free market under this legislation. Would the gas the Saskatchewan Power Corporation purchased be deemed to have been purchased at a higher price than the price for which the Corporation was selling it?

● (1650)

Mr. Turner (Ottawa-Carleton): The answer is no. The Saskatchewan government is satisfied that the Saskatchewan Power Corporation would not be adversely affected by this legislation as amended.

Mr. Nystrom: That is the assurance I wanted.

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

Clause 37, as amended, agreed to.

Clause 43.1 agreed to.

Clause 80, as amended, agreed to.

The Deputy Chairman: Shall the title carry?

Mr. Fairweather: On division.

Title agreed to on division.

The Deputy Chairman: Shall the bill carry?

Some hon. Members: On division.

Bill reported.

Some hon. Members: Hear, hear!

The Acting Speaker (Mrs. Morin): When shall the bill be read the third time? Now?

Some hon. Members: Now!

Mr. Knowles (Winnipeg North Centre): No!

The Acting Speaker (Mrs. Morin): Mr. Turner (Ottawa-Carleton), seconded by Mr. Jamieson, moves that the bill be read the third time and do pass.

Some hon. Members: Hear, hear!

[Mr. Symes.]

Mr. Baldwin: On a point of order, Madam Speaker, there is no bill before us. The bill has not yet been reprinted.

Mr. Knowles (Winnipeg North Centre): The point has been well made. Many amendments have been made to this bill. It has to be reprinted before it can be given third reading.

The Acting Speaker (Mrs. Morin): When shall the bill be read the third time? At the next sitting of the House?

Some hon. Members: Agreed.

Some hon. Members: At the end of April.

* * *

NATIONAL HOUSING ACT

AMENDMENTS TO AMOUNT OF INSURED LOANS, TO INCREASE CAPITAL OF CORPORATIONS, ETC.

The House resumed, from Wednesday, January 29, 1975, consideration of the motion of Mr. Danson that Bill C-46, to amend the National Housing Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Danson: Madam Speaker, I thought other hon. members would like to speak on this bill before it is passed, but I should like to rise at this time because I am sure that everyone appreciates the urgency—

The Acting Speaker (Mrs. Morin): The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles (Winnipeg North Centre): The point is that the minister cannot speak now.

An hon. Member: Nobody else got up.

Mr. Knowles (Winnipeg North Centre): He cannot speak now unless the Chair informs the House that by so doing he will close the debate. And that has not happened.

Mr. Epp: Wake up over there!

Mr. Danson: I suggested that if anybody else wanted to speak—

The Acting Speaker (Mrs. Morin): Is the minister rising on a point of order?

Mr. Danson: I would have risen on a point of order but there was so much noise that I could not have made myself heard. I rose to speak because I did not see anyone else rising. I thought that everyone recognized the excellence, the urgency of and the need for this legislation.

Some hon. Members: Hear, hear!

The Acting Speaker (Mrs. Morin): I must advise the House that if the hon. minister speaks at this time he will close the debate.

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, I rose to speak on the bill but the minister rose first. It comes as a great surprise to me, and I am sure to

many other people, that the government does not have all the answers to the present housing crisis. What with the millions of dollars hon. gentlemen on the treasury benches opposite have squandered on housing surveys, urban planning studies and urban demonstration programs since 1969, one would think they must have the answer to any question or problem which could possibly arise on these subjects in the next 20 years. But this is obviously not the case. The government has come up with very few answers which have contributed significantly to easing Canada's housing crisis.

Whenever I think of the Minister of State for Urban Affairs (Mr. Danson) the image conjured up is that of the fellow in the stands at a professional hockey game. I mean the fellow who walks around shouting "Programs, programs". He usually has little trouble selling his products since nothing else is available, but because the players and the game are changing so fast the program is invariably out of date and inaccurate by the time it is sold. The program seller, being a well meaning sort, immediately has another program drawn up for the next home game. Unfortunately, with player trades, expansions and teams gone out of business, the new program is again out of date. This persists until the man with all the programs finally realizes that he needs one which lists all the players and all the teams, a comprehensive program, as it were.

The Minister of State for Urban Affairs has not realized this yet. He continues to produce stop-gap, after-the-fact programs which he hopes will hold the attention of spectators for long enough to give him a chance of coming up with a newer one. Admittedly, he is getting better at it. But he does not seem to realize how important, how vital this game is. Bill C-46 is still not sufficient to make reasonable priced housing available to a reasonable number of Canadians.

The housing situation in Canada today now constitutes, as my hon. friend from Kingston and the Islands so accurately put it on January 27, a crisis of major proportions. I hope that all realistic members of the House—and I use a description which the Minister of Urban Affairs repeatedly applies to himself—realize the magnitude and the gravity of the situation. I do not need to quote statistics showing an apartment vacancy rate of under 2 per cent—as low as .1 per cent in some cities—or refer to the fact that fewer than 5 per cent of Canadians can afford to buy a home in urban centres.

● (1700)

The situation is extremely serious and I think the minister must surely realize this. I doubt if Bill C-46 will alleviate many of the major problems. The deficiencies of Bill C-46 have been well articulated in preceding speeches, and I should like to make my remarks in a more positive vein. This minister seems to me to have a very genuine concern for the challenges facing him, and for that reason I am sure he welcomes any and all suggestions that are meant to help him ease the housing crisis.

The first suggestion I would have for the minister is to make every effort to trim the red tape involved in erecting a dwelling. As any developer who has attempted to have a housing sub-division or other major housing proposal approved can attest, there seems to be a conspiracy among the various levels of government to deprive low and middle income families of suitable housing at reasonable cost. I base this statement on the fact that it can take up to two years or more to get a development plan approved by all the legislative bodies concerned. This has to increase costs enormously; costs that must be borne by the consumer.

Major developers have been quoted as saying they could reduce the cost of a house by 50 per cent, if not for bureaucratic red tape and the laggardly, out of date processing procedures employed by the three levels of government. The province of Ontario has made some strides in the last two years to streamline these procedures. Previous to this up to 40 ministries and agencies had to be consulted in order to approve a development proposal. I would like to read some comments from a Toronto newspaper on cutting housing costs in half. This article appeared in the Toronto *Star* and it stated:

> Single-family housing could be provided in and around Metropolitan Toronto at half the present $40,000-plus average price if only developers were given co-operation by government in place of restrictions and outright hostility.
>
> That, at least, is the contention of four key figures in the development industry who took part in a round-table discussion of the urban housing problem.

The article then continued as follows:

> Provincial Government financing of water and sewer services for privately held land ready for development, aimed at flooding the market with serviced land so as to drive down the price of a serviced lot—now at a record high $22,000 average;
>
> Relaxation, at least in specified areas, of a long list of restrictions on new subdivisions such as minimum lot sizes, requirement of elaborate local servicing and stipulations as to the type of building materials used.
>
> Elimination of federal and provincial sales taxes on building materials totalling 17 per cent.
>
> They reasoned that an over-supply of serviced lots would soon bring the price of a normal 50-by-100 foot lot back to the $11,000 level current in Mississauga as recently as two years ago during a short period of surplus.
>
> Beyond that, the price could be trimmed to about $5,000 a lot by permitting single-family homes on lots 20 to 25 feet wide with a bare minimum of services—a good gravel road, open storm sewers and overhead power lines.
>
> And the cost of the house itself—now about $18,000 to $20,000 for a three-bedroom bungalow—could be trimmed to about $15,000 by eliminating the sales taxes and in some cases substituting cheaper materials, such as aluminum siding for brick veneer.

Another topic to be raised during tri-level discussions is a better system for taxation for so-called agricultural land owned by speculators on the outskirts of or adjacent to cities. Millions of dollars in profit are being made when these properties are sold. It is only fair that a portion of the profit be paid back to the communities in the form of a more equitable tax system than is in force in many locations.

Agricultural lands should be taxed on a deferred basis when they are developed or sold; that is, land which is re-zoned for residential development should be back taxed at the residential land assessment rate. Such an arrangement would not hurt the land owners appreciably since the increased tax could be deducted as an operating expense from their capital gains tax, but it would result in a great deal more money being available to the municipalities for servicing of land. Some provinces and cities

already employ such a system, and the minister should endeavour to bring it to the attention of others.

It is up to the Minister of State for Urban Affairs to approach the provinces and the municipalities to improve the situation in this regard. He could do this at the next tri-level meeting on housing and urban affairs.

I am not advocating unrestrained development with no safeguards for the community, of course; but as anyone who has had any contact with the present approving bodies knows, they have a long way to go before their process could be called efficient.

Those two levels of government notwithstanding, I feel the Minister of State for Urban Affairs could go a long way toward unification of his housing programs. With the multiplicity of aid plans and the maze of assistance programs he now advertises, many prospective house buyers are hesitant to attempt to unravel it all without the aid of a lawyer, and we all know how much they charge these days.

The minister cannot possibly say he is happy with the complexity of the present mess. He must develop a comprehensive program, and he must do it soon. Cutting through the confusion surrounding the government's housing policy, and I use the word policy loosely, is a further source of expense to developers. The incentive is not there for them to risk large amounts of capital on plans that may be delayed unreasonably.

Let me refer to a recent newspaper article under the heading "New Housing Index Shows Rising Costs Worse Than Thought". This article refers to Statistics Canada, and it states:

Statistics Canada for the first time has published figures showing the trend of new-house prices in six metropolitan areas of Canada.

The new index confirms what everyone already knew—that new-house prices in Toronto rose almost 80 per cent in the three years ending last August, the latest month for which figures are available.

The selling prices for new houses of equal quality in Montreal rose by 82.5 per cent in the same three-year period, with more than half of this rise occurring in the last year.

The figures also confirm that the "new houses" component of the consumer price index has greatly underestimated the actual rise in selling prices, meaning that the price index has not adequately indicated the rising cost of housing to Canadians in urban centres.

The CPI component for new houses across Canada shows a 40.3 per cent rise in the three years and a 12.5 per cent increase for the year ending last August. This is only about half the increase shown by the figures published yesterday.

The reason for the difference is that the price index for new houses in based on labour and material cost trends and does not include the price of land, which has been the primary reason for rising house prices.

For union workers with wages indexed to the consumer price index, this means their cost-of-living pay increases do not cover the rise in the price of buying a house in the past three years.

There was further criticism of the government's housing plans at a recent meeting of the provincial housing ministers in Ottawa. At that time they stated, as reported in the Ottawa *Citizen* of January 30 this year:

The provincial ministers renewed a demand made by Ontario and some other provinces two years ago for freedom to spend their allotment of housing funds the way they wish.

They said the Central Mortgage and Housing Corp.... should be banker handing out federal money for housing programs that provincial governments consider necessary in their regions.

[Mr. McKenzie.]

At the moment, the federal government is directly involved in a number of social housing programs, setting the ground rules under which federal money can be spent.

The provincial ministers were critical of mid-year changes in CMHC budgets reducing spending in some programs.

"The allocation of these priority funds should be at the discretion of the individual provinces," the provincial statement said.

In a further newspaper article in respect of housing under the heading "New Fiscal Policies Needed to Spur Housing" it is stated, and this article is from the *Globe and Mail* of January 16, 1975:

A series of new fiscal and monetary initiatives is still required and should be directed particularly toward Canada's housing industry, since the recent budget measures will tend on balance to deter housing purchases in 1975.

● (1710)

Though $500 cash grants are now available from the Central Mortgage and Housing Corp. for first-time buyers of moderately priced houses, this is more than overshadowed by the negative demand effect of the Registered Home Ownership Savings Plan (RHOSP).

This new government scheme permits deductible contributions of $1,000 a year to a maximum of $10,000 if applied to the future purchase of a house. This plan will provide a large and expanding pool of savings flows to the thrift institutions. Though the RHOSP scheme is interesting, there are several flaws in its introduction at this particular time. It provides a generous incentive to save and may marginally postpone some housing demand. But as presently constituted, this plan will not likely increase the supply of mortgage funds very significantly. Unfortunately, there is neither a guarantee nor any mechanism to ensure that the bulk of these funds will flow in the desired direction of mortgage loans.

In a recent article in the Montreal *Gazette*, the following was stated:

As for control of federal housing money, certainly Ottawa has an obligation to exercise some direction here. It must make sure the money does not come under the influence of a developer's lobby once it reaches the provincial or municipal level and that it does not go into the development of chronically underfinanced commuter communities.

On policy matters, however, Ottawa does not speak from a position of strength. Its housing non-policy very likely acts as an impediment to provincial initiatives. Until it straightens out the mishmash of programs that has accumulated over the years, the federal government can expect continuing criticism about its housing policies.

A system like this could cut the initial mortgage payments but allow them to rise as a homeowner's earning power increases over the years. Economists at MIT see this as a large step in stimulating the housing industry in the U.S.; the plan might also prove effective here.

The president of the Toronto Home Builder's Association has listed a number of suggestions for lowering the price of houses. I agree with him when he says that lowering standards is not an acceptable method, but some of his other suggestions are, first, a lower quality of services in new subdivisions. He feels there is no need for curbs and gutters in new subdivisions. Small ditches and asphalt roads would be more economical. Second, builders could build different sizes of houses, but co-operation is required from municipalities for this. Third, smaller lots would allow more houses to be built on a given piece of land. Fourth, municipal governments could help keep costs lower by bringing land on stream faster. Fifth, governments could provide more mortgage money at below market rates. Sixth, establish a unilateral building code so that builders would not be required to change drawings and specifications when moving from one municipality to

another. These are matters that the minister could also take up at the next tri-level meeting on housing.

Many notable economists have stated that house price inflation will not be brought under control until the supply of houses exceeds demand for a time. This is only logical, but the call is for a minimum of 275,000 new housing starts this year, as opposed to the 210,000 that the Minister of State for Urban Affairs has set as his minimum. The eight provinces at last week's federal-provincial housing conference unanimously called for at least 250,000 starts this year.

If this objective is to be met it is obvious that the minister will have to look very seriously at these suggestions, and others. He must realize that he does not have all the answers, as none of us do, and should begin listening more closely to the other groups involved in the industry.

Earlier in this parliament I made the suggestion that the government look more closely at the mobile home as a source of relief to the housing squeeze. The parliamentary secretary at that time expressed a great deal of interest and assured me the suggestion would be investigated more fully. What has been done in this regard since then?

I think this minister has made some mistakes during his tenure, some of which have had a negative effect on house sales. One persistent miscue is the announcement of programs, such as the $500 bonus on moderately priced new houses, as long as six months before a program will be implemented. This keeps prospective buyers from going ahead with their plans in anticipation of the impending program.

Last fall, $3.6 million were spent on a housing survey that asked questions like: "how many bathrooms does your house have?". Again I must mention the $100 million urban demonstration program that this minister's predecessor freely admitted would not result in any houses being built. That $100 million would go a long way towards supplying municipalities with funds to supply serviced lots. These surveys and studies are not needed.

As the previous minister responsible for urban affairs also admitted, we have a large over-surplus of surveys and statistics in this country. The situation is well known; the problems are recognized. These surveys do not build houses. I say, divert the money toward mortgages, and toward supplying three bedroom bungalows on serviced lots.

The most extensive and useful survey that has been done under the federal government was the 1969 report of the Hellyer task force on housing and urban planning. But how many of this report's recommendations have been implemented? Very few, I think. I would like to suggest that if those recommendations had been heeded and more effective action taken on them, we would not be in the mess in which we presently find ourselves.

But how much money has been spent on studies and surveys in the last six years? The walls of the urban affairs offices must be lined with the results.

What we need from this government and this minister is not more rhetoric, statistics or surveys. What we need is a more unified, efficient policy, some positive action to cut the red tape involved in building a house, and some direct assistance to municipalities to supply serviced lots at a reasonable cost—nothing less, Mr. Speaker.

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I am particularly happy to see in the House now both the former and the present minister responsible for housing because, as both these hon. gentlemen will of course realize, in my speech, I will deal with the subject that involves them, namely, the subject of the native and rural housing program in which both ministers, in my opinion, have made some serious mistakes.

Before I speak on that subject I would like to make a few comments about some of the problems that confront me daily in trying to interpret the existing programs and existing legislation to my constituents. I have awaited with great interest the introduction of this bill, but I have not held my breath. Probably that was a good thing because otherwise I would have suffocated.

I believe that if a great statesman had been in this House, such as was in England at one time, he would have said that never have so many said so much about so little. I am as disappointed as every Canadian must be, whether he lives in a metropolitan centre or close to one, whether he lives in an urban centre, apart from the major metropolitan areas, or whether he lives in a rural area in Canada, because the bill does not address itself to the main problems faced by Canadians today.

● (1720)

It is inconceivable to me that the minister can declare that the dream of owning a private home near any of the urban centres of our country is a forgotten dream and that it will not be possible for Canadians to own a private home. With that announcement a Canadian way of life has been abandoned or destroyed. My constituents, as well as those of my colleagues, are responding because we are not reacting to this announcement with any great degree of enthusiasm.

I do not read into the bill, which the minister has introduced and tried to defend, all the things the minister says are there. He said that the bill moves to eliminate, through the removal of the federal sales tax, the high cost of construction. Several of my colleagues have touched on that. Sales tax has been reduced to 5 per cent, but the effect of inflation counteracts this and there is not any real reduction. In order to make any impact, the sales tax should be removed in its entirety.

With regard to the high cost of money, the minister said that he has invited private capital into the market and that there will be a significant breakthrough in the alleviation of the high rate of interest. The minister knows what should have been done with interest rates on housing. It has been suggested to him before what should be done to attract private capital to the housing market.

The idea would have been to allow private capital in the housing market and to allow for deduction of interest earnings on such investment from income tax. I suggest that the minister has tried to get this idea past his cabinet colleagues and has not succeeded because I think that he knows how to reduce interest rates, if he were really serious. I suggest that his cabinet colleagues did not agree with some of his ideas. The program he did introduce will

not reduce interest rates and will not reduce the cost of lending to those people who find it difficult to cope with the high payments even for a moderately priced house today.

I would like to touch on the high cost of land for a moment because I am particularly concerned with some of the problems which have recently developed in the province of British Columbia. That province is following a policy of leaseholds, and I have a brochure which deals with provincial rental housing where the federal government shares fifty-fifty in a major new program, such as is described here, to build and operate provincially owned rental units for everyone, not just the disadvantaged. These housing units are built on provincially owned land, and the units will be provincially owned. The program does not describe who will maintain these units, except that the federal government will share that as well.

I do not know whether the minister is as concerned as I am about some of the ideas which have been generated in Victoria lately. In fact a couple of years ago the provincial government indicated that there would be no more private land ownership in the province, that all land will be vested in the Crown, and that there will only be leaseholds for people owning property. I think it should be the responsibility of the minister and Central Mortgage and Housing to see that Canadians in British Columbia have a choice as to whether they want to lease their land from any government or whether they would like to own it.

I take strong exception to the fact that the act and the corporation are being used to further the kind of approach the government of British Columbia is taking toward land.

I would like to leave the metropolitan areas and discuss some of the difficulties people in the outlying areas in mid Canada and northern Canada are experiencing with the implementation of various programs. As the minister and my colleagues know, many Canadians in these areas find it necessary to live in a mobile way. Living in a mobile home is the only way many of those people can have a roof over their heads in some areas, because financing for such units has been available through lending institutions other than those which traditionally lend for housing. It has been a cheaper way of getting into a home. By virtue of their employment and domestic affairs, others find it necessary to be mobile, and they move their homes from place to place. It has been difficult, and is becoming more so for municipalities or private operators of mobile home parks to provide the necessary services to cater to this demand.

The program in the bill does not offer any solution to the problem faced by these private operators or municipalities, and does nothing to assist them with their very expensive installation of services, such as water and sewer. Of course it can be argued that if it is close to a municipality, the municipality can apply for some assistance with sewer outfall lines, but there is no assistance for land development, or for development of these very necessary facilities to municipalities or private developers. That has been a very serious omission. The bill does not deal with or recognize that need.

The $500 acquisition grant does not apply to an owner of a mobile unit unless he has lived on a lot for a period of five years. But of course the mobile home dweller does not commit himself to a lease, or does not own a lot for a period of five years because he may work on a construction site at James Bay or on the Peace River dam. Then of course if he is on a lot for five years he is not mobile, so that discriminates against a very important and significant number of Canadians who find that kind of living necessary.

A rural application of many of the programs simply does not apply. There is the matter of septic tanks. I know that this minister and the former minister have said that local officials can use discretion and can allow for direct lending for homes which are tied to septic tanks. In actual fact it does not work. I can demonstrate this for the minister. I can show him dozens and dozens of letters I have received, and that I have followed up with the office in Prince George, which is responsible for two-thirds of the province of British Columbia, without result.

If one does not have access to one of the traditional lending institutions, there is no direct lending to smaller municipalities which are not incorporated and do not have water and sewer services. There is no direct lending to people who live on the fringes of these areas on small holdings, which is another way of Canadian life, and the buck is being passed all the time.

If I look at AHOP, which has been proclaimed as one of the major breakthroughs and one of the shining examples of how the housing situation can be solved in Canada, as it applies in central and northern Canada I find that it just gets people in these areas into more problems.

● (1730)

What the minister and his officials do not realize is that the cost of building is a minor part of the cost of the house. People up there have to use their ingenuity to find new and cheaper ways of building homes. Maintenance is a major expense, however, and none of the present programs have addressed themselves to this. It costs a great deal more to heat and maintain a house in those regions than it does to build, and although payments under AHOP and other social programs may be low, the cost of maintenance can put a house out of the reach of many families. This problem should be given special attention.

I should like to turn now to the matter of the native and rural housing projects. I made some inquiries of the information service of Central Mortgage and Housing about this program and was told that there was no such program but there was, rather, a combination of all the programs of the corporation. After long and painful deliberations with the native community of Canada the minister announced on March 27 that 50,000 homes would be built within five years for native people.

In answer to my question of November 27 the minister responded that a booklet would be circulated to hon. members concerning the programs maintained by his department. That booklet arrived about a week ago. The various programs are enumerated, but the native and rural housing program was not amongst them. In a later brochure called "Quick Review for Ready Reference" the program is mentioned on the last page. In that brochure the minister said that the program was designed to acquire or to build 50,000 housing units and to rehabilitate an equal number over the next five years.

In reply to my questions the minister said that the program was going quite well, although some of the provinces had not responded. He did not refer at all to the Northwest Territories and the Yukon where there was no requirement for provincial co-operation. He said that 24 units had been built after one season of construction. I suppose you have to start somewhere, but 24 out of 50,000 is not a great achievement.

I received a letter dated April 30, 1974, from the former minister who said:

We have just given a grant of $219,000 to BCANSI—

That is the British Columbia Association of Non-Status Indians.

—to assist them in developing a housing delivery system. Their proposal includes the construction of 3,500 new houses, the upgrading of 1,750 existing houses and the purchase of 1,750 houses for resale or rental to native people over a period of seven years. For the current year they have set as a goal the construction of 200 new units and the acquisition of another 200 existing units. They also hope to undertake an extensive rehabilitation and renovation program.

I should like to know if 200 new homes have been built in British Columbia, and whether 200 homes have been rehabilitated. I should like to know how well that delivery program, which cost $219,000 in 1974, is working. I do not see any activity in British Columbia that would reflect that kind of investment.

The native and rural housing program was promised to the native people in 1971 and 1972. At a meeting with a native group on November 21, 1973, the then minister said he would soon be ready to announce a native program. About the same time a senior official at CMHC who was responsible for that program was accused of showing it to the native people before it was announced. He was dismissed as a result of this, and the program was delayed.

The minister said the program will be worth waiting for and the native people believed him. They have demonstrated patience beyond comprehension over the last 100 years, Madam Speaker. I guess we can wait another two weeks. At one time we were told we had only a month to wait before the implementation of the program, and another time, that we had only three months to wait. Clearly, there is no such thing as a native people's housing program. The native people have been cheated again. As far as I know, there is not any native housing project.

● (1740)

At one time officials of Central Mortgage and Housing Corporation met with people of the native community in the cities and on the reserves. I spoke to the minister about the need for housing for native peoples on reserves. The minister said there would be no problem. His officials were to consult with the natives, and native peoples were to be provided with housing, including low-cost rental housing, public housing and co-operating housing.

When these programs were suggested to native peoples, they, instead of becoming excited, reacted in an unexpected way. They said that the treaties stipulated that Her Majesty would be responsible for providing native peoples with proper shelter. They also said that the minister's programs would perpetuate them as recipients of welfare. For those reasons they were not interested in co-operating with the minister. They did not like his fancy programs.

Clearly, this country lacks a native people's and rural housing program. The $10,000 which is available to people living on reserves for the building of a house is inadequate, considering present conditions. I say this, although the minister has treated me well and granted me private audiences to discuss this problem. He is a new minister and aware of the problem.

I see that my colleague from Skeena is looking at me. Is she happy with what the people at Central Mortgage and Housing have done? I trust she can defend their actions. I know some of the problems in the constituency of Skeena, because they are similar to many of the problems in my constituency and other areas of Canada. I think she will find it difficult to make a good case for the present system, because it does not respond to real need.

You see, Madam Speaker, in Canada there is a dual standard in housing. There is one standard for urban centres where the votes are, and another for rural areas where the need is. I should like to attend some meetings with my colleagues from Skeena and see how she defends this program. I suggest she will find it difficult to defend it.

An hon. Member: No votes, no houses.

Mr. Oberle: Quite. I managed, by scrounging and scheming, to obtain 12 homes out of 24 which have been built so far under the program which calls for 50,000 housing units to be built.

I want to mention an idea that is exciting, looks good on paper, and has to do with new innovations in building construction. Over the weekend I visited a small factory in Prince George which manufactures new types of building blocks. Engineers of Central Mortgage and Housing and private engineers have examined these building blocks and given them a clean bill of health. They are strong, suitable for our northern areas, and ready to be used. The factory has been set up and the person in charge has already built two homes of 1,200 square feet, one costing about $13,500 and built by a contractor, and the other costing about $10,000, and built by a husband and wife.

The blocks are easy to assemble. I asked the factory manager what response he has had from Central Mortgage and Housing. He said, "Well, of course we cannot get financing outside the city". He said that because of local bylaws builders are reluctant to put up homes made of these blocks. I hope that the minister can avail himself of the diligent work which has been done by the engineering department of that factory, so that the people of Canada may benefit. I know of several interesting innovations in housing which could be used, particularly for native housing in rural and northern areas.

I hope the minister will insist that officials serving in various areas of this country will examine various projects and schemes of the type I have outlined, and help to sell them to those concerned. In Prince George we retained the services of a social development officer. She is a capable lady who works out of an office in Prince George. I hope she will visit the factory I mentioned and recommend use of the new building blocks in the Yukon, central and northern British Columbia, and other areas where the need is great.

When this bill was introduced on second reading, the hon. member for Kingston and The Islands (Miss MacDonald) said that inadequate housing in Canada is indeed the breeding ground for a lot of human misery in our country. I hope the minister will soon tell us what he intends to do to implement a program for building rural and native people's housing. Unless he implements some such program, the native people of this land will feel they have been cheated once more. I have before me a document showing what has been done in this area since 1971, and it is not exciting reading. Unless the minister institutes an adequate program, the native people will knock on his door again and tell him they have been betrayed. They will insist on an adequate rural and native people's housing project.

If the minister does not intend to participate in this debate, perhaps one of his colleagues will tell us what the government intends to do to meet real needs in this country. It is useless relying on government information services; Central Mortgage and Housing officials know nothing about this program. Frankly, I do not think the minister knows much about it either.

We were promised 50,000 new homes for native and rural peoples in the next five years. We want to be assured that this will happen, that the government recognizes the plight of native peoples and that it has committed itself to solving some of their special problems.

Mr. Andrew Brewin (Greenwood): Madam Speaker, this is the first occasion on which I have had the opportunity to speak in the House on this subject since the minister's appointment to his portfolio. May I therefore take this opportunity to congratulate him on his appointment. I would not wish him to think that my congratulations involve necessarily or indeed at all any approbation of the policies that may have been foisted upon him. I hope he will recognize this as a kindly personal wish and not as any political gesture.

● (1750)

Like the hon. member for Prince George-Peace River (Mr. Oberle), I wish to speak first about housing problems as they affect my constituency. The hon. member mentioned certain groups of Canadians who have a very real and serious problem in connection with housing. The same is true of people who live in the less prosperous parts of metropolitan areas such as Toronto. Many of them live in Greenwood.

I do not know whether this coincides with the minister's philosophy, but the major way of helping these people is through an extension of public housing. I find no reference to public housing in these amendments. It may be the minister will put his efforts into that field later. However, let me point out to the minister that the real problem we have today is not people who can finance to acquire home ownership. Admittedly that has some importance, but the real problem is that there are many people in existing housing who are threatened with eviction. These people have rented for 20 or 30 years. They are now older and living on pension. Because of enormous increases they are not able to pay the rent.

[Mr. Oberle.]

I have, as do many other members, a constituency office. No week passes without a substantial number of people coming to my office and urging me to try to assist them in getting low cost housing through the Ontario Housing Corporation, which is public housing supported to some extent by federal funds. I am reminded by my colleague, the hon. member for Broadview (Mr. Gilbert), that the funds for this purpose have been reduced. If that is the case, the minister is proceeding in entirely the wrong direction.

Rents for public housing are geared to income. The people who suffer from lack of housing are those who do not have adequate income to pay rentals at the present time. Many of them are older people. They have lived in the same place, paid their rent regularly and, in many cases in my constituency, have maintained the homes in an admirable fashion. Now that they are older, they are being forced out. They simply cannot afford to pay anything close to the commercial rents that are being required. I therefore plead with the minister to shift his emphasis toward housing and not cut down on the funds available for that.

The major emphasis I want to make is with regard to co-operative and non-profit housing which is being defined as the third force. No doubt the minister is aware that his predecessor, who was in the House earlier—

An hon. Member: He is here.

Mr. Brewin: I will not try to distract his attention. I do not think I would succeed. The former minister attended a seminar on non-profit and co-operative housing programs which was held at the Holiday Inn in Toronto on March 25, 1974. He was speaking to representatives of this form of housing programs. His words could not have been warmer or more enthusiastic. He said, and I quote:

> I would like, first of all, to express my appreciation to all of the representatives of community housing organizations who are here today. I congratulate you and I welcome you as partners in an important humanitarian enterprise. I want to assure you of the continued support of the federal government in your work.
>
> You are in a position to make a unique contribution to the solution of housing problems. As private individuals, living within the community you serve, you are in a better position than any government to recognize and respond to the particular needs of the community. You bring an intimate human quality to the process of planning and managing housing. No one else can do that so well.

I am referring to the former Minister of State for Urban Affairs, now the Minister of National Revenue (Mr. Basford). I am referring to him with high praise at the moment. If he listens to all of my speech, he will find that will be followed by a lack of enthusiasm for the follow-up both by him and the present minister. He dealt with the third force. He said:

> The third sector can never build all of the housing that we will need but it is a creative power and a very sensitive and responsible instrument which works for the many thousands of Canadians who don't have the financial clout to command much attention in the market place but who, with a little bit of financial and moral support, can look after themselves.
>
> Because I put a very high value on this kind of initiative—
>
> Non-profit and co-operative groups are in an ideal position to use the rehabilitation program as a self-help exercise.

I want to say that we in my constituency accepted this. We have at least 75 units of co-operative housing. It is

extremely well managed. All the nice things the former minister said about the value of this sort of housing are there.

I see that it is six o'clock, Madam Speaker. I will have to wait for the continuance of my speech to explain to the minister why I feel he is not following this through with vigour. I want assurance from him that he not only accepts, but intends to translate these glowing words into action.

Business of the House

BUSINESS OF THE HOUSE

Mr. Sharp: Madam Speaker, I would like to announce the business for tomorrow for the guidance of hon. members. It is the intention to call first Bill C-49, to amend the Income Tax Act, for third reading. When that is disposed of we will revert to the bill which has just been under discussion, namely, Bill C-46.

The Acting Speaker (Mrs. Morin): It being six o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 6.01 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 27, 1975

The House met at 2.00 p.m.

THE ROYAL ASSENT

[*English*]

Mr. Speaker: I have the honour to inform the House that a communication has been received from Government House which is as follows:

Ottawa, February 27, 1975

Sir,

I have the honour to inform you that the Right Honourable Bora Laskin, P.C., in his capacity of Deputy Governor General of Canada, will proceed to the Senate chamber today, the 27th day of February, at 5.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary to
the Governor General

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. REID—ATTENDANCE OF MEMBERS OF HOUSE OF COMMONS BEFORE SENATE COMMITTEES—RULING BY MR. SPEAKER

Mr. Speaker: Order, please. On Wednesday, February 19, last the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) rose on a question of privilege regarding the matter of members of this House appearing before committees of the other place to make representations to them on legislation which has gone through the stages of consideration in this chamber. The matter was raised subsequently and the question that was put by the hon. parliamentary secretary was whether a member can go to the other place and raise doubts about a piece of legislation on which this House of Commons has already taken a stand.

● (1410)

It seems to me that the hon. parliamentary secretary has raised two questions: first, can a member appear before a committee of the other place? I suppose that amounts to a question of whether a member of this chamber can be prevented from so doing. On examining the precedents that were cited, and the Standing Orders, I can find nothing which bears directly upon the point of an hon. member of this House voluntarily appearing before a Senate committee. In any case, the precedents which would appear to offer some assistance are very early precedents which seem to me to have been overriden by usage common to the practices of this House since 1946, whereunder ministers have appeared in assistance of legislation and members have appeared in assistance of their own bills.

While exceptions are provided in this case under the Standing Orders of the other place, they are not referred to in the Standing Orders of this chamber. Accordingly, whatever precedents there were which might have supported the proposition that a member of this chamber could have been prevented from appearing before a committee of the other place seem to have been overridden by recent practices. Accordingly, I am not able to conclude that there is any authority whereunder the Chair could prevent such a thing being done by a member of this chamber.

The second question is whether, in so doing, a member can cast doubts upon legislation that has already been dealt with in this chamber. It seems to me that is hypothetical. No suggestion is made that such an event has taken place and no specific evidence of any occurrence is offered in support of such an allegation. In fact, no motion or inquiry seeking any action on the part of the Chair is appended to the hon. member's question of privilege. I would therefore conclude that no evidence is offered to support the contention that in any recent or specific case a breach of the privileges or Standing Orders of this House has taken place, and therefore I cannot find that a prima facie question of privilege is involved.

I should add, however, that much of the comment that was made in the course of the discussion—which was very long—on this very important point was valid. I refer, for example, to the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) to the effect that it is a curious anomaly that the other place takes such a grave view of this matter, sufficient to inscribe in its Standing Orders the punishment and penalties that ought to be visited upon one of its members who might condescend to come to this place and appear before this House or its emanations, but it takes a different attitude toward the presence of members of this chamber appearing before that chamber or its committees.

In addition, I am troubled by the fact that a committee of the other place having received, in any particular proceeding, one member of this chamber as a witness, it might find it most awkward to refuse others who wanted to

appear. I cannot help but wonder if one day we may see this as a question of privilege of quite another form when a member or members—and, of course, they could be considerable in number—indicate that because one member of this House has appeared before a Senate committee to comment on legislation that has been passed by this House, surely that ought to be a privilege or a right extended to all other members who hold different views. While that would be action outside this chamber, it might pose a thorny question about the rights and privileges of members of this House.

Finally, from our own members' point of view it would seem to me that in doing so, obviously members are putting themselves in a situation where they are inviting a breach of Standing Order 35 which prohibits comment or reflection upon decisions of this House by members of this House, and they are inviting potentially grave affronts to parliament: they are inviting breaches of the privileges of the House. In fact, it seems to me that great care is needed on the part of hon. members appearing before committees of the other place in order to avoid these pitfalls. I can perhaps summarize these sentiments by saying it is to be hoped that neither members of this chamber nor of the other place will want to see that practice greatly encouraged.

* * *

[*Translation*]

PUBLIC SERVICE

SUGGESTED RESUMPTION OF NEGOTIATIONS WITH POSTAL EMPLOYEES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to discuss a matter of pressing and urgent necessity.

Considering that the federal government indicated last year that no layoff would result from the impact of technological changes on the postal system, and that, as reported in the press, 6,000 Toronto postal workers have just been laid off for the purpose of possibly crushing the strike of blue collar workers, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House discuss this situation now, so that immediate corrective action may be taken to remedy this situation and create as soon as possible a climate truly favourable to meaningful bargaining in this area.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

[Mr. Speaker.]

[*English*]

IMMIGRATION

INQUIRY WHETHER MINISTER OF LABOUR INVOLVED IN ANY CASE OF ILLEGAL ENTRY INTO CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to seek permission of the House to move a motion under Standing Order 43 of urgent and pressing necessity, particularly in view of discussions in this House and elsewhere in recent days. I would therefore move, seconded by the hon. member for Red Deer (Mr. Towers):

That the Minister of Manpower and Immigration be asked to tell this House whether the Minister of Labour, since becoming a member of parliament, has ever been involved with the illegal entry of an inadmissible person to Canada, whether any such case was ever investigated by the RCMP, whether the results of the investigation, if undertaken, were ever forwarded to his department and, if so, what action was taken.

Mr. Speaker: Order, please. This motion is proposed pursuant to Standing Order 43 and requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*Translation*]

SOCIAL SECURITY

PROPOSAL ELIGIBILITY AGE FOR OLD AGE PENSIONS BE LOWERED TO 60—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to discuss a very urgent matter.

Considering the many requests we receive from people between 60 and 65 years of age, asking that the old age security pension be extended to sixty-year-old persons, and considering that it is difficult for these people to earn an income by working, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the House adopt, without debate because this matter is very well known, a motion asking the Minister of National Health and Welfare (Mr. Lalonde) to introduce without delay a bill extending the old age security pension to sixty-year-old persons.

Mr. Speaker: Order, please. The House has heard the terms of the motion of the hon. member. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

INDUSTRY

SUGGESTED CONTINUATION OF SUBSIDY TO SHIPBUILDING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Raynald Guay (Lévis): Mr. Speaker, under Standing Order 43, I request unanimous consent of the House to discuss an urgent matter.

Considering that STAP—the shipbuilding temporary assistance program—will expire on March 31, 1975, that is in a few days, in view of the uncertainty of the future of this program, uncertainty that naturally affects our Canadian shipyards, and the minister's awareness of the efficiency of the program in maintaining a high level of employment in our shipyards, I move, seconded by the hon. member for Richelieu (Mr. Côté):

That the minister make a statement on motions indicating the intentions of his department with regard to STAP and, should the department intend to drop the program, that the minister advise us what measures are planned to replace it with comparable results.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under Standing Order 43, it requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

[*English*]

An hon. Member: Reid said no.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. I hope the record will show that a member of the Liberal Party said no to that request.

* * *

● (1420)

REPRESENTATION COMMISSIONER ACT

AMENDMENT ELIMINATING PROVISION FOR ALTERNATIVE PROPOSALS BY COMMISSIONER RESPECTING ELECTORAL BOUNDARIES

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council) moved for leave to introduce Bill C-381, to amend the Representation Commissioner Act.

Some hon. Members: Explain.

Mr. Reid: Mr. Speaker, this amendment is consequential on results of Bill C-370, a private members' bill standing in my name which today will receive royal assent. As a result of that bill passing, there are some consequential amendments which are deemed to be advisable to the Representation Commissioner Act that are contained in this bill.

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

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

SCOPE OF INVESTIGATION INTO DREDGING CONTRACTS—POSSIBLE INVOLVEMENT OF OTHER AGENCIES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Solicitor General involving the massive probe by the RCMP and other federal agencies regarding the $21 million contract for the St. Lawrence. Can the minister indicate to the House the scope of the investigation being conducted at the present time into federal dredging contracts? Also, are there any other federal agencies involved and is the investigation virtually completed?

Hon. Warren Allmand (Solicitor General): All I can say, Mr. Speaker, is that the investigation is still underway. There are other federal departments involved. I have been given no information to the effect that the police are ready to lay charges at this time.

Mr. Alexander: Mr. Speaker, I have a supplementary question to be followed by a further supplementary, since the minister has indicated there are other federal agencies involved besides the RCMP. Is the minister in a position to now disclose which other agencies these may be?

Mr. Allmand: Mr. Speaker, to be certain, I better check on that. I will report to the House, possibly later in the question period.

REASON FOR WITHHOLDING PAYMENT TO CERTAIN MONTREAL COMPANIES FOR DREDGING ST. LAWRENCE RIVER

Mr. Lincoln M. Alexander (Hamilton West): Is the minister in a position to report back to the House on a question asked him yesterday concerning the $1.5 million final payment for the St. Lawrence dredging contract? He was asked if the payment was held up because the government was waiting for the disposition of court proceedings in Hamilton? Can the minister answer this question today? Is there a relationship between the two?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I put that question to the RCMP immediately after the question period yesterday. I have not yet received a reply. All these answers are not in Ottawa. It is necessary to check with people in the field.

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HARBOURS

HAMILTON HARBOUR COMMISSION—POSSIBLE INVOLVEMENT OF MINISTER OF LABOUR IN REMOVAL OF MR. LANZA AS COMMISSIONER

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the recent statement by the Minister of Labour regarding the integrity of Del Hickey and Joe Lanza of the Hamilton Harbour Commission, can the minister indicate whether it is true the Minister of Labour

was instrumental in having Mr. Lanza removed from his position last summer and whether there were consultations with the Minister of Transport in this regard?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, on this whole matter—

An hon. Member: There is no answer.

Mr. Marchand (Langelier): Oh, yes, there are answers. First, I must inform the House in connection with this matter—I probably should have done this before, but I did not have the complete file before me—that I am the one who, in January 1973, two years ago, ordered the RCMP to inquire into alleged Hamilton irregularities. The same is true for the Quebec part of the dredging. I can produce the letters at any time. As Minister of Transport, I asked the Solicitor General to make this—

An hon. Member: Will you table the letters?

Mr. Marchand (Langelier): Yes, I can do that. I have them here. I will have copies made. They are very regular letters. We thought there was some irregularity. There was some suspicion about the attitude of Mr. Lanza and another person; I do not recall the name, but I can get it in five minutes. I said I would renew their mandate for a few months, but I did not intend to renominate them after that. Actually, they were not renominated to the board.

HAMILTON HARBOUR COMMISSION—REASON FOR FAILURE TO RENEW APPOINTMENTS OF MR. HICKEY AND MR. LANZA AS COMMISSIONERS

Mr. Elmer M. MacKay (Central Nova): I thank the minister for his very informative answer. Was there any specific reason why their mandate was not renewed?

Hon. Jean Marchand (Minister of Transport): No, there was not. At that time no trial had taken place—there had been no inquiry but there was suspicion and, since those jobs are given at the discretion of cabinet, nothing binds us to nominating someone who might be suspected of not, say, meeting some ethical standards we are supposed to have when we serve the government.

Mr. MacKay: Were there consultations at that time between the Minister of Transport and the Minister of Labour?

Mr. Marchand (Langelier): The Minister of Labour was entirely in agreement with what I was doing.

* * *

HOUSING

WILLINGNESS OF GOVERNMENT TO INITIATE FEDERAL-PROVINCIAL PROGRAM TO GRANT MORTGAGES AT 6 PER CENT

Mr. Edward Broadbent (Oshawa-Whitby): A question to the Minister of State for Urban Affairs. Considering that interest rates on mortgages are now in the neighbourhood of 11 per cent, I would like to ask the minister whether, following the decision by the government of British Columbia recently to embark on a program which would provide mortgages at 6 per cent, the federal government would be willing to initiate a joint federal-provincial program with all the provinces which are interested in taking part to provide mortgages across the board to Canadians at 6 per cent?

Hon. Barney Danson (Minister of State for Urban Affairs): I do not know whether the hon. member is aware of the fact that we have already made available an effective mortgage rate of 6 per cent for those Canadians who need it. This has been done under federal legislation, and if we can speed up the passage of the housing legislation this afternoon I hope many more Canadians will be able to take advantage of this rate.

Some hon. Members: Hear, hear!

Mr. Broadbent: I am well aware that something like .001 per cent of all the mortgages which go out from the federal government go out at 6 per cent, and that is precisely why I asked the minister whether he is willing to undertake the kind of action at the federal level which one province is prepared to take so that the average mortgage rate charged to the average Canadian would be 6 per cent.

Mr. Danson: I do not, of course, accept the premise of the hon. member's question as far as the percentage is concerned, with respect to mortgages which are supported by the central government through CMHC. However, I would be most interested in seeing what another government has come up with and discussing it with them to see what new answers they have found to a complex problem.

REASON FOR REDUCTION IN FUNDS ALLOCATED TO ONTARIO

Mr. Edward Broadbent (Oshawa-Whitby): Can the minister explain to the House, in the way the Minister of Finance could not on Friday, why CMHC reduced the allocation of funds to the government of Ontario by the following amounts: from $78 million to $50.4 million for public housing construction; for co-operative housing from $65 million to $55.8 million, and for land assembly from $55 million to $35 million? Can he explain these cuts when, in fact, we are faced with the kind of housing crisis which the minister himself has described on previous occasions?

Hon. Barney Danson (Minister of State for Urban Affairs): I do not have the precise figures before me. The capital budget of CMHC has, of course, been increased by 12 per cent over last year and Ontario's share has been increased as well. I shall be meeting with the Ontario housing minister on Monday to discuss the ways in which we can co-operate to ensure that our mutual objectives are best achieved.

● (1430)

Mr. Broadbent: A point of order, Mr. Speaker. The minister has just said that he does not have the figures. I am using figures taken from a CMHC document. I would ask the minister to provide an answer to the House as to why the funds have been cut.

Mr. Danson: Mr. Speaker, I do not carry all CMHC's documents around with me. The hon. member may carry one but I would have to carry a great deal more in order to answer questions that are put to me. I would be pleased to discuss it with the hon. member, but I would be much more interested in discussing it with the housing minister for Ontario.

* * *

[*Translation*]

TRANSPORT

INQUIRY AS TO CONTRACT TO BOMBARDIER FOR PROTOTYPE RAPID TRANSIT TRAIN—NUMBER OF JOBS CREATED

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct a question to the Minister of Transport.

The press just announced that the federal government has awarded the Bombardier corporation a $250 million contract to develop a prototype rapid transit train connecting suburbs and downtown areas. Could the Minister of Transport elaborate and tell the House what is happening to the large urban areas transit systems improvement project and could he confirm or invalidate that news about the award of a contract to Bombardier-Matra?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, let me answer a part of the question only. Otherwise, I would have to make an hour long speech on the development of the transport industry in Canada. I know that the news about Bombardier having been awarded a contract by my department is true.

Mr. Beaudoin: Mr. Speaker, I would like to ask a supplementary question.

Bombardier-Matra having been given an important contract of $250 million, could the minister tell how many new jobs will be created?

Mr. Marchand (Langelier): How many jobs? Well, I do not know; but I will seek information and I will be told. But at first sight, I cannot say.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

AUTHORITY TO SEARCH HAMILTON OFFICE OF MINISTER OF LABOUR—REQUEST FOR EXPLANATION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Solicitor General a question. As reported at page 3535 of *Hansard* the Minister of Labour said in answer to a question of mine:

> Mr. Speaker, they wanted permission to look at documents in my office, the contents of which I was really not aware. They were in cabinets. I gave them permission to go ahead, even though they did not have proper authority.

Has the minister looked into the fact that the RCMP had no authority to seize documents in the office of the Minister of Labour, and why did they act without authority?

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker, I did look into that. What the minister meant by that was that the search warrant the RCMP had on that occasion was for a different address. When the Minister of Labour saw that it was a different address, he felt he would not object to their taking the documents no matter where they were, and he gave them to them in any case.

NATURE OF DOCUMENT AUTHORIZING SEARCH OF HAMILTON OFFICE OF MINISTER OF LABOUR—REQUEST FOR TABLING

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. I know the minister is trying to clear up this matter, but in light of the fact that there appears to be some discrepancy between the Minister of Labour and the Solicitor General, and since this matter is important, has the Solicitor General asked for a copy of the documents that the RCMP did in fact have with them when they entered and made a raid on the Minister of Labour's office; and if he has perused them, what kind of documents were they?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the RCMP had a search warrant to obtain certain documents from the Minister of Labour. When the Minister of Labour said that they did not have authority, he meant that they did not have authority to search at that particular address. It was not that the RCMP did not have general authority to search. Consequently, the Minister of Labour turned over all the documents at that address and at other places to the RCMP.

Mr. Woolliams: A final supplementary question, Mr. Speaker. Would the minister tell the House what the documents were? What did they contain, and would he be prepared to table a copy of them in the House so that the matter will then be finalized and cleared up?

Mr. Allmand: Mr. Speaker, do I understand the hon. member to be asking for the documents seized or taken by the RCMP?

Mr. Woolliams: Just to clarify that, Mr. Speaker, I am asking for the documents that led to the raid and gave the RCMP authority to make the raid on the Minister of Labour's office. What were those documents, and what did they contain?

Mr. Allmand: Mr. Speaker, there is a criminal investigation underway. Charges have been laid in five instances in this case already. Three men have been found guilty and the investigation is still being conducted. I do not think there are grounds to table in this House documents relating to a criminal investigation.

Mr. Baldwin: Mr. Speaker, on a point of order, before we leave this issue, if we should leave it, in the course of giving an answer to my hon. friend from Central Nova the Minister of Transport read from a number of documents which he indicated a willingness to table. I have been waiting for him to do so, and I am wondering whether on a point of order I can ask the minister whether that is his intention.

Mr. Speaker: Order. The minister did not indicate that he was prepared to table the documents from which he was reading; he indicated that he was prepared to table correspondence in which he ordered an investigation into certain matters two years ago. Presumably the minister, if he indicated he is prepared to table them, will do so.

* * *

COMMUNICATIONS

GRANTING OF CABLE TELEVISION LICENCES IN HAMILTON—POSSIBLE POLICE INVESTIGATION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Communications. I wonder whether the Minister of Communications knows of or has caused any sort of police investigation, or any other type of investigation of a criminal nature, into the granting of cable TV licences in the Hamilton area?

Hon. Gérard Pelletier (Minister of Communications): No, Mr. Speaker.

Mr. Lawrence: Mr. Speaker, may I ask a supplementary question of the Solicitor General on the same matter. I ask him the same question, and as well I ask him whether he has any evidence, or whether any allegations have yet been brought to his attention, which would lead him to believe that there should be a police investigation into the granting of cable TV licences in the Hamilton area.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, no such allegation has been brought to my attention. As far as I know there is no such investigation underway, but I will check into that.

Mr. Lawrence: Mr. Speaker, I have a final supplementary question for the Solicitor General. Would he obtain a transcript of a television program this morning called "Canada AM" and the interview of Mrs. Ellen Reinke of Hamilton in which some remarks were made concerning the issuance of cable TV licences in the Hamilton area, and would he report back to the House if he thinks an investigation is warranted?

Mr. Allmand: Mr. Speaker, I will be glad to get a transcript of the program.

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ROYAL CANADIAN MOUNTED POLICE

SCOPE OF INVESTIGATION INTO DREDGING CONTRACTS—POSSIBLE INVOLVEMENT OF OTHER AGENCIES

Hon. Warren Allmand (Solicitor General): Mr. Speaker, at this time I want to answer a question put to me a little earlier. I was asked whether other agencies were involved in the investigation with respect to the dredging contract in the Quebec City area. I said other agencies were involved. Then, the question was: Could you reveal the other agencies? I checked into that, and the answer is that it would interfere with the investigation if we made public the other agencies that are investigating. That would hinder the investigation.

HEALTH

ALLEGED FAILURE OF PRODUCTS OF CONNAUGHT LABORATORIES TO MEET STANDARDS—GOVERNMENT ACTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the minister of health. In view of the fact that Connaught Laboratories are now under the control of the Canada Development Corporation, that the mandate of this corporation in the health care area is one of long term profitability, and that this mandate has resulted in more than one instance in Connaught being forced to compromise their own product quality control standards and to ship products which did not meet regulatory requirements, has the minister taken any corrective action to ensure that quality control is up to international standards and that the quality of the product is up to international standards?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I do not necessarily accept all the hon. member's preliminary comments. I simply say that frequent inspections were made in the Connaught Laboratories; as a matter of fact, the average number of inspections in recent years has been higher there than the average for the whole pharmaceutical industry. Each time deficiencies were found, steps were taken by the Connaught Laboratories at the request of our department to remedy the situation. Each new case brought to our attention has been investigated immediately by officials of my department.

● (1440)

[*English*]

Mr. Yewchuk: Do I take it from the minister's answer that he is quite satisfied that all products of this laboratory are indeed up to the world standard of acceptability?

[*Translation*]

Mr. Lalonde: Mr. Speaker, I am wondering what the hon. member means by world standards. I am not aware of such a thing. There are national standards in each country and it is up to each country to enforce the standards which apply within its territory to imported or locally made products.

* * *

[*English*]

CANADA DEVELOPMENT CORPORATION

REQUIREMENT THAT CORPORATIONS BE PROFITABLE—SUGGESTED CHANGE FOR COMPANIES PRODUCING HEALTH PRODUCTS

Mr. Paul Yewchuk (Athabasca): While the minister checks what the standards are, may I direct a question to the minister responsible for the Canada Development Corporation and ask him whether, in view of the difficulties that have arisen because the mandate of CDC requires the corporation to be profitable and this does not appear to be compatible with products of high standard, he would be willing to consider changing the mandate so far as health care products are concerned.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the statute of CDC attempts to reconcile two prime objectives: one is profitability, and the other is the public interest of Canada. I think that with its investment in the Connaught Laboratories it is trying to reconcile the two.

Mr. Rynard: Mr. Speaker, I rise on a point of order regarding a starred question of mine which has been on the order paper since January 30. It is my understanding that starred questions put on the order paper should be answered within a period of a week. I may be wrong on this, and if I am, I stand to be corrected. No answer has been forthcoming to my question. Yesterday, and previously, I attempted to rise on several occasions on this point, but was not recognized. If I am wrong, I would like to be told about it because I should like to know whether it is the right of an hon. member, when he places a starred question on the order paper, to receive an answer, and within what period of time.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Simcoe North raises a point of order about the right of an hon. member to receive a reply to his starred question within a certain period of time. My understanding of the proceedings of the House in respect of starred questions is that a starred question entitles an hon. member to an oral answer when the answer is given, but does not give that member any right to demand an answer within a specified period of time.

Mr. Rynard: Since I first came to the House it has been the custom for a starred question to be answered within the period of a week. If I am wrong, I want to know it because then, I wonder what is the point of placing a starred question if it is left up to the minister to answer it if and when he likes. This is the very point that the hon. member for Kenora-Rainy River raised.

Mr. Speaker: The hon. member for Simcoe North raises an interesting point, but again I have to say that I cannot find any authority which would entitle an hon. member to an answer to a starred question within a period of time. What it does entitle him to is an oral answer in the House when the answer is given.

Mr. Rynard: Mr. Speaker, my question then is, what is the point of placing a starred question on the order paper?

Some hon. Members: That is a good question.

Some hon. Members: Hear, hear!

Mr. Speaker: This exchange should not become an extended dialogue between the hon. member and the Chair. However, may I say that presumably the reason for placing a starred question on the order paper would be that it would result in an oral answer being given in the House, as opposed to a written answer.

Mr. Rynard: What Your Honour is saying then is that the minister can either give an answer or not give it. If that is what Your Honour is ruling, let us have it so that we know.

Mr. Speaker: Order, please. The hon. member is asking me for a ruling on a point of order. Let me make it clear. I have examined the precedents and authorities. I will put it in the terms of a specific ruling on the hon. member's point of order and tell him that I am not able to find any authority which can compel an answer to be given to any question, starred or otherwise, within any specific period of time. The adding of the asterisk requires an oral answer to the question.

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HEALTH

ALLEGED FAILURE OF PRODUCTS OF CONNAUGHT LABORATORIES TO MEET STANDARDS—GOVERNMENT ACTION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, you recognized me on a supplementary question which I should like to direct to the Minister of National Health and Welfare. In view of the fact that in January of 1973 the Connaught Laboratories were found in breach of regulations covering raw materials, packaging and product stability, but nothing was done, and in February of 1974, Mr. Showalter, the chairman of the drug board, drew this to the attention of the chairman of Connaught Laboratories, Dr. R. J. Wilson, stating that there were violations in the finished products tests and quality control and that none of the other breaches had been corrected, and as governments were the big buyers of Connaught Laboratories products—

Some hon. Members: Question.

Mr. Rynard: I want to ask the minister if he is aware of the fact that Connaught Laboratories have been selling those inferior products and vaccines all this time, thus subjecting the public to risk and destroying their own good name?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, from January 17 to January 19, an inspection was held at the Connaught Laboratories and some deficiencies were detected in certain drugs. Steps were taken as a result of that inspection to correct the deficiencies and that was it.

* * *

[*English*]

EXTERNAL AFFAIRS

GOVERNMENT POLICY ON EXPORT OF ARMS TO TURKEY

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. On February 20 I asked him a question relating to the export from Canada of arms and military material to Turkey and whether licenses were being granted for this purpose. He replied that that used to be the situation, but that the situation had changed and the policy had been modified. He said he would like to refresh his memory in

respect of the matter. So now, I ask him whether the policy of not granting licenses for the export of arms to Turkey at this time has been modified and, if so, how has the situation changed to justify this change in policy?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I can tell the hon. member that at present there is no general embargo on the export to Turkey of arms or military equipment, although shipments of such material were suspended for a time following the events in Cyprus of last July and August. At present, each application for arms or military equipment to Turkey would be examined in the light of the existing and foreseeable political and military situation in the area before an export permit is granted. As the House is aware, it is not the policy of the government to allow the export of arms or military equipment to an area where military hostilities are taking place.

Mr. Brewin: In view of the fact that Canada has peacekeeping forces in Cyprus, would it not be rather shortsighted, to put it mildly, to put weapons in the hands of those who might in certain eventualities use them against our own troops?

Mr. MacEachen: Yes, I think one would have to agree with the hon. member. If that were the eventuality and if one shipped arms against that eventuality, it would indeed be shortsighted action. I do not regard it as an eventuality.

* * *

● (1450)

[*Translation*]

INDUSTRY

ALCAN—REASON FOR REDUCTION IN PRODUCTION AND LAY-OFFS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

As the North American aluminum producers in the United States as well as in Canada have recently announced a total reduction in production averaging about 13 per cent, can the minister tell us as a result of such move by Alcan in Canada, at Arvida, Shawinigan or even Kitimat, if it is an isolated decision or a step taken in co-operation with its competitors, as it sometimes happen now, if in any case he intends to investigate this matter or if at least he has met an authority of Alcan in Canada?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I understand that the hon. member is asking about the layoffs in the aluminum industry, particularly of Alcan Canada. I have met with officials of that corporation, and I have been told that the reason for those layoffs and reductions in production is the slowing down of their markets abroad, particularly in the United States.

[*Translation*]

Mr. Wagner: Mr. Speaker, I have a supplementary for the Minister of Manpower and Immigration.

Since 700 people have been laid off, temporarily or not, by Alcan in Arvida or Shawinigan, can the minister tell us whether he knows when the company will recall its employees and whether he intends to ensure with his provincial counterpart that any potential establishment of an aluminum company on the outskirts of Quebec City by the Quebec government does not result in increased unemployment for Alcan of Saguenay-Lac-Saint-Jean, an area where the rate of unemployment is already 15 or 20 per cent?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will take the representations of the hon. member as valuable suggestions and bring myself up to date on the details. I will try to get an answer for him as soon as possible.

* * *

[*Translation*]

COMBINES

SUGGESTED INVESTIGATION OF REASON FOR REDUCTION IN PRODUCTION BY ALCAN

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have another supplementary, this time for the Minister of Consumer and Corporate Affairs.

In order to ascertain whether Alcan, especially in the Lac Saint-Jean area, has reduced its production in order to create a scarcity of aluminum products and thus keep prices increasing, would the minister be willing to order an inquiry by the Restrictive Trade Practices Commission, and has he taken any measure in that respect, either on the sole initiative of his department or with his provincial counterpart from the independent government of Quebec?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member should be well aware that, under the Combines Investigation Act, the director of inquiries and combines looks into the matter every time he thinks appropriate to do so, and that I am not in a position to confirm or deny that an inquiry is underway.

* * *

[*English*]

AGRICULTURE

POTATOES—REQUEST FOR AID TO PRODUCERS AND TABLING OF MARKETING STUDY

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Agriculture. It is with respect to the very serious situation in the potato industry in eastern Canada of which I am sure the minister is well aware. In view of the decrease on a year to year basis in terms of the price to the farmer of some 75 per cent in terms of marketable potatoes and the present situation whereby potato growers in eastern Canada are selling

their potatoes at about 50 per cent of the cost of production, I wonder whether the minister is preparing with his officials a program under the stabilization plan in order to be of assistance and to prevent a large segment of the industry from going bankrupt.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I believe I answered a question in the House last week that we were looking at the problems potato producers are now facing in the Maritime provinces of New Brunswick and Prince Edward Island, and we are meeting the ministers of agriculture from Prince Edward Island and New Brunswick next Wednesday, I believe.

Mr. MacDonald (Egmont): Some weeks ago in response to a similar question by my colleague from Malpeque the minister indicated that his department had made a very serious study of the marketing problems, which are one of the fundamental difficulties in the present situation. I wonder if the minister is prepared to make that study available so that there can be more information in regard to the possible alternatives to help find some long term solution to this problem.

Mr. Whelan: Mr. Speaker, not before I meet with the ministers of agriculture from the two provinces most concerned.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I would like to ask the Minister of Agriculture a supplementary question. Will he look favourably on some emergency solution which might be presented by the governments of Prince Edward Island and New Brunswick so that producers will have the financial capability of planting crops this year rather than being forced out of business completely?

Mr. Whelan: Mr. Speaker, that is one of our intentions when we meet with the provincial ministers next week.

* * *

PUBLIC SERVICE

APPOINTMENT OF DEPUTY MINISTER OF AGRICULTURE—REASON FOR FAILURE TO APPOINT PERSON WITH AGRICULTURAL EXPERIENCE

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question is for the Acting Prime Minister concerning the recent appointment of the new deputy minister of agriculture. While I note that the new deputy has impressive credentials in the fields of finance and internal government administration, his background suggests a complete absence of any experience in agriculture. I ask the Acting Prime Minister why the Prime Minister appointed a man without apparent agricultural experience as our new deputy minister and whether applications were considered from candidates with this necessary background in agriculture?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, Mr. Denis Hudon, who has been appointed as deputy minister of agriculture, is one of the more senior and more experienced civil servants and a man who has worked in many capacities. I do not think it is absolutely necessary that the deputy minister be a specialist in any particular department. Otherwise, of course, it is very difficult to have flexibility within the public service necessary to give a career to intelligent people. I believe Mr. Denis Hudon will do extremely well as deputy minister of agriculture.

APPOINTMENT OF DEPUTY MINISTER OF AGRICULTURE—CONSULTATION WITH MINISTER OF AGRICULTURE—POSSIBLE APPOINTMENT OF WESTERNER

Mr. Bert Hargrave (Medicine Hat): Will the Acting Prime Minister indicate whether the Minister of Agriculture was consulted in regard to this appointment and whether he participated in the final decision? Will he also advise whether any serious consideration was given to the appointment of a deputy minister of agriculture from western Canada?

Mr. Speaker: Order, please. Is the hon. member for Northwest Territories seeking the floor on a question of privilege? If so, perhaps the Acting Prime Minister could be permitted to answer and then I will see the hon. member.

Mr. Wagner: Come on, Mitch.

An hon. Member: Where is the answer?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, announcements and appointments of deputy ministers are the prerogative of the Prime Minister.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Sharp: Hon. members opposite perhaps do not understand, but in the system of appointments of deputy ministers this is a prerogative which has always been very highly valued by Prime Ministers—

Some hon. Members: Oh, oh!

Mr. Sharp: —including the right hon. member for Prince Albert when he was prime minister. I happen to have been a civil servant during those days, and I know how much he protected that particular prerogative and put it into practice.

Some hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. FIRTH—REFERENCE TO STATEMENTS ATTRIBUTED TO MINISTER OF NATIONAL DEFENCE IN MACLEAN'S MAGAZINE

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I realize that the Chair should be given notice of questions of privilege, but because of the grave importance of this matter I would like to raise it now. It is a matter which has just been brought to my attention. I would like to read

a quote attributed to the Minister of National Defence found in the current issue of *Maclean's*:

Discussing the fate of the Indians and Eskimos, he will suddenly puzzle, "I mean, what did they ever do for Canada? Did they discover gas? Did they discover oil? They didn't even invent the wheel. Why, when we came here, they were still dragging things around on two sticks."

I think that is shameful.

Some hon. Members: Shame.

Some hon. Members: Oh, oh!

Mr. Firth: I think that the native people of this country deserve an apology, and I think the minister's statements should be explained to the House. Indians and Eskimos continue to make contributions to the Canadian people. The explorers who first came here would not have survived without the help of the native people.

● (1500)

Hon. James Richardson (Minister of National Defence): Mr. Speaker, a question of privilege. The accusation of the hon. member is correct but it should be directed to the author of that article. There was no quotation by me in those terms. I would ask the hon. member to look at the statements I have made which are on public record about the native people of this country. I would ask him to look at the first time I accepted nomination in 1968 and I will send him a transcript because those are my real views and not as expressed in that article. There were many other inaccuracies in that article as well.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Rimouski.

Mr. Firth: Mr. Speaker, on the same question of privilege—

Mr. Speaker: Order, please. The hon. member has been seen on the question of privilege which he put forward and I permitted the hon. minister who was involved in the question to make a comment as well. The hon. member, of course, is raising a question of great importance. It is difficult to see how it becomes a question of privilege in respect of the operations of members of the House at this moment. In any case, the hon. member has exposed the point and the hon. Minister has replied and this would seem to be as far as it can go in that context. The hon. member may wish to pursue the matter further in another way.

The hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for the Northwest Territories raised a matter and the Minister of National Defence replied to the effect that he should take it up with the author of the article. I think the way in which the hon. member for the Northwest Territories raised the point demands that the Minister of National Defence, if he did not make this statement, should categorically deny it.

An hon. Member: He did.

[Mr. Firth.]

Mr. Richardson: Mr. Speaker, I just did deny that in the most categorical and definite terms.

Mr. Speaker: The hon. member for Rimouski.

* * *

[*Translation*]

INCOME TAX

JUSTIFICATION FOR THOSE IN HIGH INCOME BRACKETS PAYING LESS TAX THAN THOSE IN LOWER BRACKETS

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the Minister of Finance.

In view of the fact that certain people with an annual income of $200,000 and over are taxed at a rate not exceeding 10 per cent, that the average taxpayer earning $7,000 a year is taxed at a rate of 12.14 per cent, and that horse owners will be allowed deductions up to $7,000, would the Minister consider introducing legislation designed to protect low income people instead of horse owners?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if the question was put to me, I must point out that there was some confusion around me. I will read it and give a more complete answer.

Mr. Allard: Mr. Speaker, I directed two inquiries to the hon. Minister of Finance, but he did not seem to listen to my remarks.

My question is this: in view of the fact that more than 50 individuals in Canada with revenues exceeding $200,000 were taxed at a rate of 10 per cent or less, that the average taxpayer earning $7,000 a year was taxed at a rate of 12.14 per cent rate, and that people owning race- or other horses will be exempted from tax over $7,000, I ask the hon. Minister if he considered introducing legislation to protect low income people instead of horse owners?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the question is so detailed that the hon. member deserves a detailed answer, which he will get.

* * *

[*English*]

ABORTION

REQUEST MINISTER OF ENVIRONMENT COLLECT INFORMATION ON SUBJECT DURING VISIT TO EUROPE

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I have a question for the Minister of the Environment. Would the minister advise if it is her intention to contact some of the well-informed persons in Europe on the abortion issue, as suggested by the Alliance For Life, when she visits that continent shortly?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, my impending trip to Paris has nothing to do with the problem raised by the hon. member. However, I have received a list of persons in countries having a wealth of data on abortion. I shall certainly contact them, when I am able to do so.

[*English*]

TRANSPORT

DATE OF INTRODUCTION OF NEW OVER-ALL POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Transport who has been relieved of some of his extra parliamentary duties. I wonder if he is now in a position to give us some hope that the mess he discovered might be cleaned up quickly. Can he give us a time frame in which we might expect to see some fairly definitive proposals emanating from his department? How long is this likely to take?

An hon. Member: Ten years.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, generally speaking, I think this is a fair question to put to a minister but the hon. member knows the extent of the Department of Transport which covers airports, railways, airplanes, runways, ports and so forth. If he wants an answer on each of these subjects, I hope he will be patient enough to remain in the House next time I speak because an answer would take a couple of hours. I was working hard with the transport ministers from the west last week and we achieved a few things. We are achieving a few things in Saint John, New Brunswick; we are trying to work in Nova Scotia as well and we are trying to get an airport for Prince Edward Island. If the hon. member wants a full answer I can prepare a book and give him that.

Mr. Stanfield: The minister knows my questions are always fair and I am just seeking some information.

Mr. Marchand (Langelier): This one is fair.

Mr. Stanfield: I am prepared to wait for the book, but the minister has been saying for some time that he was going to produce a fundamental reform in the whole approach to transportation in Canada, that the legislation is not adequate and his department is not capable of coping with what is going on. When are we going to get that fundamental reform, allowing that the minister is working hard doing this in the west and doing that in the maritime provinces. When are we going to get the mess cleaned up that I thought the minister was talking about?

Mr. Speaker: Order, please. I do not want to intervene in this scintillating exchange. Recent comments compel me to say that general questions invite long, general answers. These are made not at the expense at the Chair but at the expense of other members who wish to take part in the question period. I hope this matter will be considered.

* * *

● (1510)

FISHERIES

REQUEST FOR AID TO FISHERMEN AS RESULT OF CLOSURE OF LA HAVE, BROWN'S AND GEORGES BANKS—POSSIBILITY OTHER NATIONS FISHING THESE AREAS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of State responsible for Fisheries. In light of the economic hardship faced by inshore fishermen in Nova Scotia due to the closure of La Have, Brown's and Georges Banks, what action is the government taking to assist these fishermen during this period of economic hardship, and would the minister inform the House if other nations are adhering to ICNAF regulations by refraining from fishing operations on the three banks named.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, a delegation from the area came to Ottawa for a prolonged meeting on Monday. The meeting involved officials, myself and other interested groups. We identified the problems. There was agreement that the solution would not be in reopening the banks, for reasons of conservation and preservation of stocks for the future. We are now looking at every possible avenue to reduce the hardship—I recognize that there is some hardship connected with this problem and I would like it to be as limited as possible. The delegation which came here appointed three of its members to continue working with our officials to this end.

As to the second question, I have no knowledge of other nations fishing in this area. We have a patrol ship in the area, which is watching it as closely as possible. I will check again; there might be some incidents which have not yet been reported to me.

CLOSURE OF LA HAVE, BROWN'S AND GEORGES BANKS—NUMBER OF SHIPS PATROLING AREA TO ENSURE OTHER NATIONS NOT FISHING

Mr. Lloyd R. Crouse (South Shore): A supplementary question, Mr. Speaker. Would the minister indicate the number of ships which are carrying out surveillance of this area, which is a vast one, and say how many reports he is receiving on fishing activity. Are they made on a daily, weekly or monthly basis? Also, will he say categorically that Canadian fishing activity is not being restricted while other nations are reaping this resource, because, according to my information, other nations are still fishing on Georges Banks.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, we will look into these allegations. I know that at times more than one ship patrols the area, but I will check and report to the hon. member.

* * *

COMMUNICATIONS

ABANDONED PINE TREE RADAR BASE—GOVERNMENT ACTION TO PREVENT DAMAGE—INQUIRY AS TO POSSIBLE FUTURE USE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I will not ask a supplementary question. Did Your Honour recognize me for a supplementary question?

Mr. Speaker: No.

Mr. Marshall: We must be coming to the end of the question period.

Mr. Speaker: Order, please. Would the hon. member please ask his question. Many other members are seeking the floor.

Mr. Marshall: Mr. Speaker, I could direct my question to five ministers but I will direct it to the Minister of Public Works. It has to do with a portion of land known as Pine Tree Radar Base, which was left three years ago by the American government to the Canadian government. As several departments and agencies of the federal government are interested in this facility, may I ask what action is being taken to prevent vandalism which is damaging millions of dollars worth of property. What is the government doing to prevent vandalism?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I know nothing about that particular case but would be glad to inquire and reply to the hon. member.

Mr. Marshall: A supplementary question, Mr. Speaker. As I have received confirmation that the matter is to be investigated, may I ask the Minister of Communications, who answers to this House for Telesat Canada, if his department has investigated the site as being of interest to Telesat Canada? I might say that the property is being vandalized to such an extent that its deteriorated state should be an embarrassment to Canada.

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I shall inquire about the interesting question raised by the hon. member and reply to him as soon as possible.

[*English*]

Mr. Marshall: Mr. Speaker, may I direct my final supplementary question to the Minister of Transport. As the department has a particular interest in the equipment at Pine Tree Radar Base and as the matter which I am raising has been brought to his attention for the past three months through my inquiries, may I ask what action the minister has taken in connection with his interest in that site.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will take the hon. member's question as notice and see if I can reply tomorrow.

* * *

TRANSPORT

POSSIBLE INVESTIGATION OF DREDGING CONTRACTS IN BRITISH COLUMBIA

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Transport. Earlier in today's question period he said that he had initiated investigations into contracts for the dredging of harbours in Ontario and Quebec. Did he at the same time, or has he since then, initiated investigations into dredging contracts in British Columbia, and has he any reports about those contracts?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the answer is no, unless the Solicitor General did, but not at the request of the Department of Transport.

Mr. Reynolds: Mr. Speaker, may I direct my supplementary question to the Solicitor General. Has he ever initiated in British Columbia investigations of dredging contracts in the way he did at Hamilton.

Hon. Warren Allmand (Solicitor General): Not to my knowledge, Mr. Speaker, but I will check.

PROPOSED ELIMINATION OF GENERAL COMMODITY RATES—GOVERNMENT POSITION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a specific question to the Minister of Transport. Since the view is widely held, I think by the minister as well, that he, his department and the Canadian Transport Commission have insufficient authority to oversee properly areas of transportation involving freight rates, has the minister encouraged, or does he approve, the efforts of Canadian National and Canadian Pacific, as reported in this morning's Montreal *Gazette*, to reduce or eliminate the general commodity freight rates by making them specific rates or agreed charges, a move which will further reduce whatever authority the minister of the Canadian Transport Commission have over freight rates.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, although I had not intended to, I will read the Montreal *Gazette* and perhaps make some comments tomorrow.

* * *

CANADIAN NATIONAL RAILWAYS

VIEW OF RAILWAY THAT RATES SHOULD BE BASED ON NORMAL COMPETITIVE PRACTICES—MINISTER'S POSITION

Mr. Les Benjamin (Regina-Lake Centre): A supplementary question, Mr. Speaker. While the minister is doing that, would he also look at other publications. In view of statements made during the last year or so by the Prime Minister, the minister and others, is he prepared to tolerate national advertisements by Canadian National Railways, in view of his statement that competition does not work in transportation in Canada. Will he tolerate these national advertisements put out by Canadian National, a public corporation, which state that railway rates should continue to be based on, and I quote, "normal competitive business practices".

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I must make a correction. I said that competition alone is not working in that field, and I maintain that. Outside that, I think it can work.

[*Later:*]

STATEMENT BY PRESIDENT THAT CAPITAL OUTLAYS BE RAISED FROM FREIGHT RATES—MINISTER'S POSITION

Mr. Les Benjamin (Regina-Lake Centre): A final supplementary question, Mr. Speaker. Does the minister share

the views of the president of Canadian National, Mr. Bandeen, who says that the $5 billion which will be needed for capital outlays in the next five or six years should be raised exclusively from freight rates. Does the minister agree?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I should like to discuss that matter with Mr. Bandeen.

* * *

TRANSPORT

FREIGHT RATES—REASON FOR RETAINING UNITED STATES FIRM OF R. L. BANKS TO MAKE STUDY—REQUEST FOR PUBLICATION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, may I direct a supplementary question to the Minister of Transport to do with freight rates. Why was it deemed necessary to engage, in 1974, for the study of freight rates and future development of western Canada the American consulting firm of R. L. Banks and Associates of Washington.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I did not hear the last part of the question. Would the hon. member repeat.

Mr. Hnatyshyn: Mr. Speaker, I asked why it was deemed necessary to engage the American consulting firm, R. L. Banks and Associates of Washington, D.C., for the study of railway freight rates and the future development of western Canada.

Mr. Marchand (Langelier): Mr. Speaker, that firm was retained by the Ministry of Transport and by the governments of British Columbia, Alberta, Saskatchewan and Manitoba.

[*Later:*]

Mr. Hnatyshyn: Mr. Speaker, may I ask the Minister of Transport a supplementary question about the American consulting firm's report. Has the study been completed? If so, will its context be made public?

Mr. Marchand (Langelier): Mr. Speaker, the committee in question is working well, even though some would like to see it collapse. We publish only that on which we are in agreement. In the present case the committee decided that it should be a working paper, to be used for the committee's purposes.

● (1520)

Mr. Hnatyshyn: Mr. Speaker, I rise on a question of privilege. The minister indicated in his answer that some people wish this whole study could collapse. I want to make it perfectly clear that certainly does not apply to me, if that is what the minister is insinuating.

Mr. Allmand: Mr. Speaker, I rise on a question of privilege. In the language used by some of my customers in the province of Quebec, I must tell the House that last night there was a settlement of accounts between the House of Commons and the press gallery. In this règlement de comptes, the House of Commons whopped the press gallery in hockey, six to three.

Some hon. Members: Hear, hear!

Mr. Baldwin: Mr. Speaker, I hope the Solicitor General was not thinking of the press gallery as his future customers.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I wish to ask the government House leader the usual Thursday afternoon question. Now that we have prodded the Minister of Finance into facilitating the passage of the income tax bill, will the government House leader indicate what we will be doing for the rest of today, tomorrow and next week. Also, could he give us a list of the bills he hopes will be passed so that we can study them to see if they achieve the high standard this party insists upon for legislation.

Mr. Sharp: Mr. Speaker, in welcoming back the House leader of the official opposition, I must say I was perhaps remiss in not informing him of what went on in his absence.

Mr. Baldwin: Not much.

Mr. Sharp: I am very pleased that we are finally reaching the end of the debate on the Income Tax Act. This will be continued this afternoon. I hope the hon. member will co-operate with the government in getting through the third and final stage of this bill. After we have concluded that, we will return to the second reading of the housing bill which was interrupted to complete the third reading of the income tax bill.

Tomorrow, I would like to call three items that I hope can be dealt with expeditiously. The first is the farm credit bill, C-34. There is a good deal of urgency because there are provisions for the extension of financial assistance and time is running short. Next will be the Northwest Territories bill which provides for an additional member. If we dispose of those items, I would like to move on to the opening, or perhaps even the completion, of the discussion on reference of the immigration green paper. Since we have a date by which the committee is to bring in its report, I think it is very important that we have the committee at work as soon as possible.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. Four important committees have been listed for 3:30 this afternoon. I know from personal knowledge that this party has been trying to get one of these activated since the first day we returned after Christmas. On January 22, five weeks ago yesterday, a move was made to have the Standing Committee on External Affairs and National Defence convened to study an important matter. Today is the first day that a sitting of the committee has been arranged. Along with it, there are three other important committees. As fate would have it, I happen to be on three of the committees. I am in a conflict of

interest, if ever any member of this House was. I do not know which one to attend. I would like to go to all three.

I consider this sort of arranging of committees an affront to this House. It is wrong and should not be allowed to occur. The blocking system which was intended to avoid this has broken down. I appeal to Your Honour and, through you, to the government House leader to ensure that in future committees of this importance do not meet at the same time, but that they be spread out in an equitable fashion throughout the week so that those members who have the interest of their constituents and the work of this parliament at heart may attend to their business here.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I rise on a point of order.

My point of order will be brief. I want to say that the contract awarded to the Bombardier firm is for $1.5 million rather than $250 million as stated a while ago.

[*English*]

Mr. Peters: Mr. Speaker, I wish to raise a point of order in relation to a bill that was introduced this afternoon by the Parliamentary Secretary to the President of the Privy Council. In his explanation on the introduction of this bill, he indicated that a bill in his name had been passed, sent to the other place and will receive Royal Assent today.

My point of order is in relation to the second bill which the parliamentary secretary introduced. He indicated it was consequential on the passage of the first bill. I suggest it would be a bad practice to allow the passing of a bill prepared by a private member which would, in fact, change other laws in order to make workable the law which we have already passed. This is a government responsibility. If a bill is passed amending the Electoral Boundaries Readjustment Act, that is the responsibility of the government. The government should bring in the consequential amendment rather than the hon. member.

The reason I am concerned is that if this were allowed, it could do two things. The government could have two forms of legislation, one which they provide to their backbench members to bring forward with their agreement and the other legislation from their normal sources. That would not be in keeping with the use of private members legislation. The second difficulty is if a member has the good fortune to have a private members bill accepted, whether or not that bill had any effect, even though it had received three readings in this House, three readings in the other place and Royal Assent, it would not become operative if there were consequential amendments the government was not willing to put into effect.

I ask Your Honour to look at this because it appears to be a totally different kind of bill from what we normally have from private members. The practice in the past has been that once Royal Assent is given to a bill, it becomes law and the government is responsible for consequential amendments. It would be bad practice if, to carry out the will of this House, it were necessary for a private member to go through that procedure to make the amendments. The responsibility to make it operative should be on the shoulders of the government.

[Mr. Munro (Esquimalt-Saanich).]

Mr. Speaker: The hon. member has raised a very interesting point in connection with the bill of the Parliamentary Secretary to President of the Privy Council. However, the practices of the House have been such that introduction of a bill pretty much follows as a matter of course. I am sure the hon. member's remarks will be repeated when the hon. member's bill comes up for consideration. In the meantime, he has raised a very worthwhile point that I will be pleased to consider very carefully.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

Hon. John N. Turner (Minister of Finance) moved that Bill C-49, to amend the statute law relating to income tax, be read the third time and do pass.

He said: Mr. Speaker, I rise on a point of order. Thanks to the efforts of parliamentary counsel we found a printing error in the bill. I draw the attention of the House to page 269 of the bill as reprinted. In the French version, section 118(1) has been eliminated. I think it should be replaced and the rest of the page re-annotated. Perhaps the House would allow that to be done.

● (1530)

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Stevens: On a point of order, Mr. Speaker. I presumed the Minister of Finance would at least give us the benefit of some remarks at this stage. During the proceedings in committee of the whole many questions were put to the minister which he declined to answer, and many amendments were suggested which he turned down. We are now asked to amend the bill once again, following an error. I had assumed the minister would be speaking on third reading.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, this bill had been before us now for four weeks. I was here virtually all the time and responded as best I could to all the questions put to me. I have nothing further to add at this stage.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, on this motion to give third reading to Bill C-49, dealing with income tax provisions, I propose to move an amendment which would have the effect of requiring that the bill be not now read the third time but that it be sent back to committee of the whole for reconsideration of clause 4 and clause 7. That wording, of course, is necessary in order to comply with the rules of the House. The purpose of the amendment is to have the committee consider the advisability of striking out parts of clause 4 and clause 7 or, in the alternative, to insert a

proviso in each of these clauses by which certain subclauses would not take effect except by proclamation after April 15.

The two clauses to which I refer, namely, clauses 4 and 7, have caused great concern to the provincial governments and great anxiety to the oil companies and to the mining industry. They have also given rise to considerable opposition by hon. members in all parties on this side of the House. As the House knows, clause 4 provides that royalties paid to a provincial government in any form whatsoever are not deductible for income tax purposes. The minister has made it clear that royalties paid to private corporations, or royalties paid to a foreign government in cases where a Canadian firm is engaged in mining or petroleum production in other countries, will be admissible for income tax purposes. However, where royalties are paid to a provincial government they will not be deductible for income tax purposes.

Clause 7 contains a subclause dealing with fair market value. The result is that companies which are developing a non-renewable resource such as minerals, oil or gas will not be taxed on the basis of the price they receive for their products but on the basis of the price which is paid to the provincial government or any agency of the provincial government which sells those products. This looks to me and to my hon. friends like an attempt to prevent a provincial government from deciding how it will manage and market the resources of its province in a manner which it feels is most advantageous to the people to whom those resources rightfully belong.

It is the view of the members of this party that these two provisions in clauses 4 and 7 represent a serious and unwarranted intervention in an area of jurisdiction lying within the authority of the provincial governments. Under section 92 of the British North America Act, the resources of a province come within the exclusive jurisdiction of the province and the province has the right to determine the division of economic rent between the Crown in right of a province and the industry. The federal government has the right to tax the revenue which industry receives for exploiting and developing those resources. It also has the right to adjust the equalization payments so as to take into account revenue which the provincial government gets from the marketing of those resources.

But in this legislation the federal government has gone further and is seeking to intervene in deciding how a province chooses to manage its resources and how it shall decide to divide the economic rent between the provincial government and the industries engaged in resource development. This, in my opinion, is an act unprecedented in the history of Canada. Never before has a federal government sought to intervene in the field of resource development, in the field of royalties or with respect to the price a provincial government will get for the sale of products which belong to the people of that province.

I do not intend to deal, now, with the constitutional aspects of the matter. If the provincial governments decide that the federal government has exceeded its constitutional powers, it is a matter for them to determine whether or not to submit the question to the courts and it will be for the courts to decide the issue. There is, however, a political aspect to this whole question raised by these two clauses. This country has to decide between the concept of co-operative federalism or confrontation federalism. The first prime minister of Canada, Sir John A. Macdonald, said that this was not an easy country to govern. That remark will probably go down in Canadian political history as the greatest understatement ever made.

It is well known that Sir John A. Macdonald would have preferred, initially, to see a unitary form of government. As events transpired, we developed a federal system, and I think most of us are convinced that this was probably the right decision for the Fathers of Confederation to make. It is true that there are some advantages in a unitary form of government, but it is equally true that in a federal system of government the advantages, at least in my opinion, far outweigh the disadvantages. In a country of such vast space, with a people extending from the Atlantic Ocean to the Pacific Ocean, there is a great deal to be said for having governments that are close to the people, in having governments that take over areas of jurisdiction such as health and welfare, education, resource development, labour laws and agriculture; matters which can be, I think experience has shown, much better administered on a provincial basis than by a unitary form of government which is operated from Ottawa.

● (1540)

Mr. Stanfield: Sometimes you get some very good provincial governments, too.

Mr. Douglas (Nanaimo-Cowichan-The Islands): However, as experience has shown, there arise differences of opinion with respect to the exercise of the respective responsibilities given to the two levels of government. Conflicts have arisen in the past and undoubtedly conflicts will arise in the future. We have to decide how these conflicts are to be resolved. They can be resolved by confrontation, by taking cases to the courts, and by building up hostility in which the people of Canada are torn between the claims of their provincial government and the claim of the government of Canada.

But there have been a surprising number of instances in our history where federal and provincial governments have been able to resolve their differences and reach consensus in settling conflicts. This has been true in the case of pension legislation, welfare legislation, health legislation. Solutions have been worked out in regard to labour legislation and in the particularly difficult field of agricultural legislation, where the federal government has responsibility for marketing and the provincial government for production. These differences in points of view have been worked out by compromise and negotiation and a solution has been found.

The energy crisis which began in the latter part of 1973 has raised a whole new area of possible conflict and confrontation arising from the fact that the provincial governments have the right to set the price of products such as oil and gas, or the price of a specific mineral, whereas the federal government has jurisdiction in dealing with these products when they cross interprovincial and international boundaries.

The Minister of Energy, Mines and Resources (Mr. Macdonald), whom I see in his seat, I think will acknowledge

that when this whole matter was being discussed in the last session of parliament, we in the New Democratic Party supported the government in its contention that, although the provincial government has the right to set the price on its natural resources, the federal government has not only the constitutional authority but the duty to intervene in the matter in the national interest. For that reason we supported the minister last year when he sought to keep the price of oil, for example—this is equally true of copper, wheat and other commodities—at a level that was fair and commensurate with the economic situation in this country.

Nevertheless, it was not an easy conflict to resolve. The premiers of the provinces which produce oil took the position that they had the right to set the price of a barrel of oil, a depleting resource; that they had the right to build up reserves against future requirements to explore for further resources and to develop new industries when the oil had been completely depleted. Consequently, the Prime Minister (Mr. Trudeau) called a first ministers' conference which was held last March. At that conference some fear was expressed that the premiers, particularly of Alberta, Saskatchewan and British Columbia, might take the position that, irrespective of what the federal government did about interprovincial or international prices, they would set the price of their oil and that if they did not get that price they would withhold production.

That would have been a serious step to take, and it is to the everlasting credit of the premiers that they did not take that position. At the conference with the Prime Minister in March, 1974, they agreed to accept the price of $6.50 a barrel. The Prime Minister praised them for their co-operation and assistance in working out a compromise that appeared to be reasonably satisfactory to all concerned. The premiers went back to their respective provinces convinced that this was to be the situation until at least June of 1975, and that they could count on this agreement being carried through.

This House is now confronted with a piece of legislation that projects us into an entirely new ball-game. Naturally, the provinces feel, to put it in the bluntest terms, that they have been double-crossed. They also point out that they, in their turn, have kept their share of the bargain. Premier Barrett of British Columbia announced that he was going to raise the export price of gas on January 1, 1975. At the request of the Prime Minister, he agreed not to raise the price of gas until after the first ministers' conference. He was prepared to be co-operative and to let this matter rest until all the premiers and the federal government had had an opportunity to review the situation.

This is why Premier Blakeney of Saskatchewan wired the Minister of Finance (Mr. Turner) on February 18 and asked him to hold back clause 4 and clause 7 until after the first ministers' conference. It is why members of the committee of the whole during the last two or three days have been pleading with the minister to put a provision in both those clauses stipulating that certain subclauses would not come into effect except by proclamation after April 15.

However, the federal government has refused to do this and we are now confronted with a piece of legislation which enables the Prime Minister to go to the first ministers' conference in April with a *fait accompli*. He will say to them, "Parliament has decided: I no longer have any choice in the matter. This is how we are going to handle resources. This is how we propose to interfere in the management and disposition of the resources of the provinces. The only resort you have is if you want to take the matter to the courts and have a long, protracted constitutional argument".

● (1550)

I think this a good time for members of this House to realize how fragile the federal system is. I think it a good time for members to realize that a country which faces as many problems as Canada does at present, needs all the good will and all the co-operation it can get from all the levels of government. This is true in many fields. The Minister of Finance, in tackling both unemployment and inflation effectively and aggressively, will need the co-operation of the provincial governments.

Also, the energy question will still be before us. If Canada finally becomes a signatory to the international energy agreement, which may under certain circumstances call for a restriction on consumption of petroleum products in this country, we will need the co-operation of the provincial governments. If in the situation which is likely to confront us in the next few months and the next few years there is an atmosphere of hostility, with the federal government using the big club and the provincial premiers being angry and annoyed, I think federalism will not work as effectively as it should.

It is only natural for disagreement to occur from time to time between federal and provincial authorities. Naturally, they will not always agree as to the exact areas of their jurisdiction, particularly where they overlap. But the hallmark of statesmanship is for the federal government to retain sufficient good will so that it can prevent hostility and alienation from making impossible a co-ordinated approach to the national problems which confront Canada at this time.

Over the years that I have been in public life I have seen at first-hand many instances where previous federal administrations have been able to bring about that kind of co-operation and co-ordination to meet situations in which conflict and hostility could easily have arisen. The test of statesmanship will be this government's capacity to attain national objectives while at the same time securing the co-operation and good will of the provincial governments with whom it must work, which in most cases will be forthcoming if the federal government adopts an attitude of conciliation and good will.

I propose to move an amendment, because I believe that a solution can be found. The Minister of Finance, and the Minister of Energy, Mines and Resources will agree with me, I think, when I say that so far as my colleagues and I are concerned, we have never tried to play-off federal and provincial interests. It is comparatively easy for any politician to play-off the federal government against his province or local region. We have repeatedly stood by the federal government when it has said that the national interest must come first. But the national interest can only come first if the federal government is able to persuade the governments of the provinces and the people of the

provinces to believe that the federal government is doing this in a fair and equitable manner and not by getting out the big club or riding roughshod over the provinces.

I say to the Minister of Finance that of course the government can use its majority to pass Bill C-49, amending the Income Tax Act, through this House. This the government can do by virtue of its political muscle. But the Minister of Finance and the government must recognize that it is possible to win the battle but to lose the war, and in the long run it is more important to win the war against economic stagnation, against inflation and against national disunity than it is to win a battle which in the long run could be self-defeating.

Therefore, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That Bill C-49 be not now read a third time but that it be referred back to the committee of the whole House for the purpose of reconsidering clause 4 and clause 7 thereof.

● (1600)

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to make a few remarks before this extremely important bill is given third reading. I am told that credit unions are awaiting this legislation impatiently. I am aware of that, Mr. Speaker, but I also know that the provinces are awaiting impatiently the result of today's vote. I hope they will be favourable to upholding those provincial jurisdictions we stood for so proudly on this side of the House, as did for that matter the hon. member who spoke for me.

Mr. Speaker, we are definitely going to support that amendment as it meshes with our approach based on respect for provincial rights and provincial jurisdictions.

An hon. Member: There are two founding nations in this country.

Mr. La Salle: Yes, there are two founding nations in this country. It was just pointed out to me, Mr. Speaker. Several immigrants also came here to help us build this beautiful country that is Canada, a country that nevertheless still has its problems.

Mr. Speaker, I would like to make a few more comments on Bill C-49. In view of its importance, I am pleased to participate in the last minutes of this debate. As all hon. members, I recognize of course that this bill is quite important for all Canadians and affects all sectors of the taxation area. I recognize that it makes certain benefits available to several thousands of Canadians, and provides the government with necessary funds.

As several comments were made on those very important points, I would like nevertheless to make a few remarks on that clause designed to prevent from now on resource companies from deducting royalties paid to the provinces from their taxable incomes. I think that up until now, Mr. Speaker, several provinces indicated their opposition in that respect. The hon. member who spoke before me pointed that out by moving an amendment, and it is regrettable that the government remained inflexible on the recommendations of the provinces.

I would have thought, Mr. Speaker, that we would answer in the affirmative, that we would wait at the very least until after the federal-provincial conference which will take place very soon, in order to allow the provinces to discuss that very important point. And the question is why this government refuses to defer those particular clauses affecting the provinces in order to allow them to discuss those powers which this government is granting itself in this bill. Recently, the Minister of Finance (Mr. Turner) unequivocally stated that the provisions on royalties are final and will not be the subject matter of negociations at the next federal-provincial conference. I regret to be induced to believe that this is an unacceptable centralizing scheme and I think it is important for members to discuss this matter reasonably and objectively this afternoon.

That is the important point of this bill. We can be accused to oppose a legislation which is hardly advantageous as I said earlier, but I believe that the striking feature of the whole bill is that centralizing attitude.

We heard a good deal about viable, profitable federalism. How could we achieve such an objective by introducing a bill unacceptable to the provinces? It could be suggested that it is for the sake of national unity that we passed this legislation. The hon. member who spoke before me raised that point. I believe that if it is in the national interest, we should respect in fact the provincial jurisdiction recognized in our constitution. Then, I say we could speak of provocation and arrogance against the provinces. Undoubtedly, the premiers or the responsible ministers who will meet in the near future will not be prepared to have objective discussions with the federal government.

I should have thought that the federal government has the responsibility for coordinating the efforts of the provinces. We know full well that the provinces, in their own spheres, are making great efforts to solve the problems of their electors. To my mind, it does not behoove the federal government to centralize, and to take unilateral decisions such as the one it is now taking.

In view of the stand taken by the federal government, through which it will be depriving the provinces of considerable income, I say it is "holding-up" the provinces in broad daylight.

Perhaps, I should at this point put this question to hon. members: What are we doing about our responsibilities? Are we going to betray the people in this way? I hope not, Mr. Speaker. We must reflect on that aspect of the matter, and take into account the objections of the provinces to the clauses of the bill they consider unacceptable.

As for those who talk about national interest and the implementation of a workable federal system, I think their attitude only contributes to undermine our system. We discourage the provinces. As I said, they are making efforts considering the increasing number of problems within their respective territories. I also repeat that the federal government's basic responsibility is to co-ordinate rather than to centralize. I deeply regret that most government members have not been successful in urging their own government to respect the wish expressed by the provinces.

The federal government surely needs funds to run the country, but I do not think it should assume alone that responsibility. In my opinion, when it comes to depriving

the provinces of certain taxing privileges or sums of money, I am convinced that provincial first ministers act in good faith. I believe that they would agree with their federal counterpart to give the federal government a fair share of the profits they derive from their natural resources. However, I repeat that it is unacceptable that a decision be made in Ottawa without consulting the provinces. This is definitely not the way we shall conceive a workable federal system, and we shall not as long as the provinces do not feel perfectly at ease within the present system.

I know that similar remarks have been made on several occasions. The failure of the government to listen carefully to the claims of the provinces always makes me sad. There again, we know for a fact that the provinces put forward some claims with regard to the coming federal-provincial meeting, but Parliament is being required and urged to pass this bill which infringes upon very important provincial jurisdictions.

So, as I said, decisions are made here in Ottawa without any consultation and then the provinces are asked to discuss the problems we are now facing. I wonder whether that is not a strange consultation to have before a decision is made.

Later on, one will wonder what happens either in the province of Quebec or in Alberta or in British Columbia. One will wonder why some provinces are not satisfied, why certain provinces are putting in so many claims to the Ottawa government, why we have those pitched battles between the federal government and the provinces.

We of the Progressive Conservative Party will be accused of concentrating our efforts on protecting Alberta's interests.

● (1610)

For once I was very happy to support the claims laid by Alberta's government which was carefully protecting its provincial rights. It was not only a responsibility, on its part, but a duty to protect the rights it has acquired a long time ago.

I think one could also ponder on what is going on in Quebec, on the thousands of Quebecers who are gradually losing faith in this federalism that is being called profitable or viable. Attitudes such as the one shown by this government are things that discourage not only the provincial premiers or the ministers responsible in that field but also the electors in every province. We still have the opportunity to think seriously about what we are going to do this afternoon. Either we say yes to the provinces and show our respect for provincial jurisdictions or, on the contrary, we say to the provinces that everything must be settled in Ottawa. And then we ask them to embrace the system, to have a feeling of freedom.

I venture to think, Mr. Speaker, that hon. members will assume their responsibility, which is not necessarily to support a political party or to see if it could be defeated or not in the House. I think that every member has formally committed himself to serve his constituents' interests at every opportunity. I think that today, we have a unique opportunity to serve the interests of the provinces without prejudice to the national interest.

[Mr. La Salle.]

Then, at the last minute, I appeal for much more understanding and open-mindedness than were shown until now with regard to certain clauses of the bill that are sure to displease the provinces if this legislation is passed.

This government had promised us a just society and started consultations. I hope they will meet their commitments much more honestly than they are doing presently.

The hon. member for Lévis (Mr. Guay) made a few remarks. I wish he had spoken to this bill. I should have liked to know if, as a Quebecer, he intends to answer the Quebec ministers who expressed their views. I would have liked to know if, like many others, he intends to replace the Quebec first minister, because there are little problems at present. It is obvious, Mr. Speaker, that the Quebec government made representations. The minister, Mr. St-Pierre—

Mr. Raynald Guay (Lévis): Mr. Speaker, I rise on a point of order. I hear a member from Quebec talking about confusion in the Liberal party and saying that things are going badly. As a supporter of the Union nationale I think that for him things are not only going badly, it's all over. The Union nationale does not exist any more in the province of Quebec. Mr. Speaker, I rise on a question of privilege. The hon. member asks me to speak on behalf of Quebecers. When I have the decency to speak on behalf of Quebecers—they are only three on their side to speak on their behalf and I wonder how he can show such a lack of common decency—Mr. Speaker, I shall try to say something that makes sense.

Mr. Deputy Speaker: Order please. The hon. member will agree that his point is only an argument, I therefore recognize the hon. member for Joliette.

Mr. La Salle: Mr. Speaker, further to my previous remarks, I again urge the Quebec members to take a stand on this fundamental question, namely the respect of provincial jurisdictions. I say to the hon. member for Lévis that despite the large deputation from Quebec in Parliament, if the members betray Quebec's interests today, they will betray them again by passing this legislation which deprives the provinces of a fundamental right. The hon. member from Lévis knows it. He dares not speak on this bill because he will have to follow the party line. That's it!

Mr. Olivier: Mr. Speaker, I rise on a question of privilege.

Mr. Deputy Speaker: Order please. The hon. member for Longueuil rises on a question of privilege.

Mr. Olivier: Mr. Speaker, I believe the member for Joliette (Mr. La Salle) made a personal attack on me, first as a Quebecer and second as member for Longueuil. When he thinks others betray their fellow Quebecers because they do not belong to the Progressive Conservative party, the member for Joliette goes too far. I suggest the hon. member for Joliette should be asked to withdraw his remarks, otherwise the matter will have to be referred to a committee.

Mr. La Salle: Mr. Speaker, I would indicate right now to the hon. member for Longueuil (Mr. Olivier) that when I

am invited before the Committee on Privileges and Elections, I have no hesitation in going.

I did not suggest, Mr. Speaker, that it is because I belong to the Progressive Conservative party. I said that the duty of a Quebec member in particular, and of all members in general, was to respond to the needs of their province.

And I repeat, members who support the legislation as introduced will betray the interests of their own province. Recommendations made by the Quebec government do not favour the clauses now before us, because they feel the latter do not meet provincial needs.

Therefore, I wish I had seen Quebec members show their respect for provincial jurisdictions, or at least ask the minister in charge to wait until after the federal-provincial conference, in order to try and reach a solution satisfactory to the provinces.

I believe the federal government is in error if it believes it can decide alone in such matters. I repeat it is important that consultations be held before the federal-provincial conference. I believe that after, provinces will be quite ready to give the federal government a certain percentage of resource revenues because I believe the premiers are quite capable of assessing federal needs, in consultation with the federal representatives. I say however that if the federal government acted in this way, this is a unilateral and unacceptable decision.

Because I invite hon. members to examine this aspect, all types of arguments will be raised to lead people to believe that I am the only one who thinks he has got the truth. Mr. Speaker, this is absolutely not the case but, as a member of Parliament, I say that our responsibility is to respond to the hopes of the provinces when we speak of promoting proper federalism and ensuring its continuity. The way decisions are taken in this House will certainly not satisfy the provinces and help them rely on federalism.

Mr. Speaker, in concluding, I will again invite my colleagues in this House to think well before taking a vote on such a fundamental principle. I believe that a negative answer rejecting my call would not be forgiven by Canadian people; for they are anxious that the jurisdictions granted to the provinces under the constitution should be recognized, jurisdictions which could be totally quashed by this legislation. I believe that we have to look far ahead to understand the importance of this legislation and its implications not only on oil, but also on all areas of resources. I think that every member in his province must think it over to give an affirmative vote and allow the provinces to maintain the rights they have had for such a long time.

Mr. Olivier: Mr. Speaker, would the hon. member for Joliette allow a question?

Mr. La Salle: Yes.

Mr. Olivier: Mr. Speaker, I would like to ask the member for Joliette if the advantages which he referred to earlier in his speech and which Quebec got through an agreement on oil with Alberta and the other provinces were to bring the same profit to Quebecers, would he oppose them?

Mr. La Salle: If I understand well, the hon. member asked me if I am going to vote against the legislation. I will certainly do so. I am going to vote for the amendment because we are going to vote on an amendment requiring the federal government to allow the provinces to negotiate on royalties before accepting this piece of legislation.

And I think this is quite important. I said at the outset that this bill contained very good proposals, but one is unacceptable and cannot be supported by a member who honours his commitments.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, we are nearing the end of this debate, but I think there are a few things still to be said. In effect, we are debating the economic condition of the country for the first time in almost two years. I suggest the last budget is a rerun of the May budget, although conditions have changed since then. The May budget was concerned with attacking the resource industries and bringing their profits into the federal treasury, and also attacking the provinces on provincial rights. Both budgets have much in common, although the May budget imposed some conditions on the resource industries which were withdrawn in the November budget.

At the moment, the taxes on the resource industries will seriously cripple them and our economy for the next few years unless further changes are made. This attack was a direct violation of the principle of confederation whereby the provinces would own the resources and the people of the provinces would have the right to enjoy the revenues accruing from those resources. We have heard much about the rights of the provinces, and it is generally considered by students of the federal-provincial situation that the provinces have had decreasing taxation in the last few years, with increased commitments in the fields of health, welfare and social services. It is true that most of the increase is due to the actions of the federal government and it is hard to understand why there would be such action without consultation with the provinces.

The Prime Minister (Mr. Trudeau) has made the play that he is the saviour of national unity. There is no doubt that this has sharpened, particularly in western minds, the feeling that they are remote from Ottawa and that the federal government has no rapport with the provinces, particularly the west.

● (1620)

The November budget represents a partial withdrawal in the field of resources but leaves much to be desired in taxation of the oil and gas industries. The president of the Mining Association of Canada said recently that mining firms can expect at least two years of tough times. The mining industry depends greatly on sales to the United States and has felt the effects of the recession in that country. The president of the Mining Association of Canada was also pessimistic about the future of the resource industry because of the squeeze as between the federal and provincial tax systems. He said, as reported in the Montreal *Gazette* of February 27, 1975:

> If you find anything, you couldn't justify developing it, so there's no use going out and looking.

He also said that federal and provincial taxes combined now range between 60 per cent and 130 per cent of profits.

The budget has not paid sufficient heed to Canada's worsening trade position. Last year our trade deficit went up from $6.6 billion, the 1973 figure, to $9.5 billion. Our high tariff walls and advantages given to the manufacturing industry and processors, by reduced taxation have not reversed the situation. But for the surplus of $5.5 billion in our crude materials trade last year, our trade position would be much more serious. Last year this country experienced a favourable balance of trade in petroleum to the extent of $1.5 billion. According to recent forecasts, our net trading deficit in petroleum products in the coming year will be $750 million. Yet it has been this government's policy to inflict punitive taxes on the oil and gas industry, thus diminishing activity in the search for oil and gas at the very time when such activity should be greatly increased.

By introducing the present budget, the federal government has decided to play fast and loose with our economy in an attempt to break the hold of the provinces, particularly the western provinces, in the field of resource taxation. We can only lose in the short run. The whole of Canada stands to lose much from this move. External forces are reducing the demand for our resources. Trade with Japan is not increasing as was hoped by trade officials who had forecast a $1 million increase in trade with that country. Japan wants to cut back by 30 per cent, purchases of Canadian copper. Copper represents our single most important export to Japan. This country is no longer considered as a reliable supplier of rapeseed and farm produce, and we shall lose markets because of strikes and shipping troubles. We have always tended to think that resources will fetch high prices and be in great demand, but the high prices of our resources on world markets are probably largely the result of devaluation of our currency.

The budget has failed to take into account the difficulties our exporters face in external markets. Further, the Minister of Finance (Mr. Turner) refused the opposition's request for a modest reduction in income tax. Such a reduction would have left more money in the hands of wage earners and thus increased demand for durable goods, sales of which are falling off. The demand for cars and appliances is also soft, and more money in the hands of wage earners and taxpayers would stimulate sales. A modest reduction in income tax would also reduce the government's tendency to spend and institute new programs. Also, it would contribute to savings on the part of taxpayers, something that is vital to our economy. As well, a tax reduction would provide some insurance against renewed inflation which according to some forecasts is to increase markedly at the end of this year.

The thrust of this budget is in the wrong direction. Producers should be given more tax leeway so they can reinvest in more efficient and expansive growth. The government has already done this for manufacturers but has not permitted resource producers to be efficient and productive. Governments, federal and provincial, have taxed resources too heavily. They have failed to appreciate that much of the so-called increase in profits has been the result of inflation. Although we may not like it, we must be painfully aware that as a nation we would be foolish to depend on the manufacturing industry to provide us with a high standard of living—a high standard brought about by external trade. Like it or not, Canada's primary industries, including agriculture, forestry and resources, have not been encouraged by this budget.

[Mr. Ritchie.]

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment to the main motion, moved by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment (Mr. Douglas (Nanaimo-Cowichan-The Islands)) which was negatived on the following division:

(Division No. 18)

YEAS

Messrs.

Alkenbrack
Allard
Andre (Calgary Centre)
Baldwin
Bawden
Beatty
Beaudoin
Benjamin
Brewin
Brisco
Broadbent
Cadieu
Caouette (Villeneuve)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Darling
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Elzinga
Epp
Fairweather
Firth
Forrestall
Fortin
Fraser
Friesen
Gilbert
Gillies
Hamilton (Qu'Appelle Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hnatyshyn
Hogan
Holmes
Howie
Huntington
Hurlburt
Jarvis
Jelinek
Johnston
Kempling
Knowles (Winnipeg North Centre)
Korchinski
La Salle
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Marshall
Masniuk
McCleave
McGrath
McKenzie
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nystrom
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Rodriguez
Rynard
Saltsman
Schellenberger
Scott
Skoreyko
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Towers
Wagner
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—87.

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Béchard
Bégin (Miss)
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik

Messrs.

Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Chrétien
Clermont
Collenette
Comtois
Condon
Côté
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce)
Drury
Dubé
Duclos
Dupont
Dupras
Duquet
Faulkner
Fleming
Foster
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Loiselle (Chambly)
Loiselle (Saint-Henri)
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacFarlane
Mackasey
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McRae
Milne
Morin (Mrs.)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Pearsall
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Philbrook
Portelance
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rooney
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Stollery
Tessier
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whelan
Young—115.

● (1700)

Mr. Speaker: I declare the amendment defeated.

Mr. Sharp: Mr. Speaker, I rise on a point of order. There have been consultations among the parties and it is my understanding that there would be a disposition to complete third reading of this bill before private members' hour is called. I understand there is just one speaker, the hon. member for York-Simcoe (Mr. Stevens), who is making one of his rare speeches. I am sure we will all listen to him with great interest and then complete third reading.

Mr. Stanfield: Unless we are provoked.

Mr. Speaker: The President of the Privy Council (Mr. Sharp) has proposed that the House now agree that one speech will be made on third reading, by the hon. member for York-Simcoe (Mr. Stevens), and that thereafter the vote be taken forthwith. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I am very pleased that the government House leader suggested that I speak on third reading. It being his wish, I will make one of my rare speeches in the House to remind him of some of the facts that have been brought to the attention of parliament and are now reported in *Hansard* as the result of the debate that has taken place on Bill C-49. Having said that, I should like to direct a question to the government House leader and ask how he was so successful in silencing 107 of his backbenchers who must have wished to speak during committee of the whole stage on this bill, yet they sat mute throughout the entire deliberations.

Some hon. Members: Hear, hear!

Mr. Stevens: I say that because surely it is strange, when we are considering income tax legislation and budgetary measures which will result in the Minister of Finance (Mr. Turner) taxing Canadians at the rate of $100 million a day, that the backbenchers sitting on the government side would have not been more anxious to participate in the committee of the whole review of the legislation on which we will soon have a third reading vote. I say that because we in the official opposition believe that government spending has got out of control with this government.

The spending spree that has occurred since the present Minister of Finance took office is truly remarkable. In the short period that he has been Minister of Finance the real growth in the country has been only 15 per cent but inflation has been 30 per cent. Government spending, however, has jumped 67 per cent, the money supply is up 56 per cent and credit and bank borrowings are up 82 per cent. Surely it is clear from these figures that this minister has far exceeded the economic excesses of his predecessor, Mr. Benson. Under Mr. Benson, a former minister of finance, inflation in the country was only 11.5 per cent, compared to inflation under this minister of 30 per cent. But, most significantly, spending under this Minister of Finance is up 95 per cent, based on his budgetary figures. In a similar previous period, spending under Mr. Benson was up 49 per cent.

● (1710)

We have made two main thrusts during debate on this bill. The first is that we believe the government can, and should, give a further tax reduction to Canadian taxpayers.

Some hon. Members: Hear, hear!

Mr. Stevens: We believe such a reduction would result not only in the taxpayer having more money—and I would suggest he can spend his money better than this government can spend it for him—but it would also mean that this government might be restrained in its spending habits. If this government does not choose to discipline its spending, surely at some stage it is up to parliament to begin disciplining it in that respect.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, our second main thrust was that we believe the royalty taxation provisions in this bill are most unfortunate.

Mr. Stanfield: Calamitous!

Mr. Stevens: We believe it is using a legislative means—a revenue, taxation means—to really distort the constitution of this country. We believe there are serious infringements of provincial rights within this bill. Many of our speakers, including my colleague the hon. member for Joliette (Mr. La Salle), pointed out the difficulties which will arise. The hon. member for Joliette pointed out the position with respect to Quebec. I reiterate that we as an opposition are diametrically opposed to the revenue approach the minister has shown in this bill with respect to royalties.

We are anxious that the bill be proceeded with. We believe we have had a good debate. I am, frankly, disappointed that in debating the bill—which contains 142 sections and is 302 pages long—we have not had more participation from government backbenchers who must be as disturbed as we are by many of the provisions of this bill. But obviously the whip was out and they were silenced. As a result, some of those hon. members have told me privately that they know amendments will have to be made to the bill, yet they did not feel they could stand up and point out the amendments they believe will be needed.

Some hon. Members: Shame.

Mr. Stevens: We are at the conclusion of this debate. I sincerely hope that although the Minister of Finance has walked roughshod over our suggestions to date, he will at least take our arguments into account and act in a more restrained way in future.

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

Some hon. Members: Question.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to, bill read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for St. John's East (Mr. McGrath)—Broadcasting—Code governing standards of television programs; the hon. member for Richmond (Mr. Beaudoin)—Agriculture—Request for increased funds for department; the hon. member for High Park-Humber Valley (Mr. Jelinek)—Public service—Strike of general labour and trades group—Suggested action to ensure mail delivery.

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

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

LETTER FROM MINISTER OF JUSTICE TO SECRETARY OF STATE RESPECTING GRANT TO WOMEN'S GROUP

Mr. R. Gordon L. Fairweather (Fundy-Royal) moved:

That an order of the House do issue for a copy of a letter written by the Minister of Justice to the Secretary of State, dated October 21, 1974, about a grant to a women's group in Saskatoon.

He said: Mr. Speaker, obviously this debate is not about the highly emotionally charged issue of abortion. The reason I wanted a copy of a letter from the Minister of Justice (Mr. Lang) which was leaked to the newspapers—a letter he wrote to the Secretary of State about a proposed grant to a women's group in Saskatoon—was to underline the whole issue of secrecy in government. I believe the leak was a calculated one. I believe that leaks of government information occur largely because of the very restrictive techniques the government uses in classification of documents.

I strongly believe that the system of classification referring to "Secret", "Top secret", "For eyes only", "This letter is a judicial opinion" or "is giving a legal opinion", and so on, is a technique to frustrate the free flow of information from parliament, ministers, and so on, to the public. In the few minutes available to me I hope to develop this theme.

Someone in the government—I wish I knew who it was, because I want to pay tribute to him personally—made a comment in another forum. It was made at the time when parliament was considering what to do about continuing the Canadian contribution to NATO. One of the documents the government used for basing its decision on was marked "Secret: for Canadian eyes only", and some wag on the government benches said that this admonition was for all Canadians except members of parliament. I think this rather hard-hearted statement underlines the much more fundamental problem which faces us as legislators. Here was a decision being made, the document was classified, a parliamentary committee was considering the whole issue, the document itself was for Canadian eyes only—officials and ministers—but the committee of this House charged with the responsibility of making recommendations to the government on the NATO issue could not see the document.

Then we consider the whole issue of papers prepared for the government and its departments by a consultant hired from outside the government service. I think last year's estimates included several hundred million dollars in consultants' fees. My inaccuracy is showing, but it was certainly a very large amount of money.

Mr. Stanfield: Three quarters of a billion.

Mr. Fairweather: Yes, it was astronomical. My leader reminds me that it was three quarters of a billion dollars. That was the figure I had in my mind. It was so exorbitant that my simple maritime mind could not grasp the implications of spending such a vast amount of money on consulting fees. In most cases the papers and documentation produced by these outside consultants are not available to members of parliament. I think the spokesman of the minister is ready to take a very narrow view on this issue and use the technical expression that the letter to the Secretary of State was a legal opinion. I think this is indeed a narrow technical view.

● (1720)

I wish to now develop a couple of other thoughts about the whole issue of availability of documents and the secrecy in which government seems to wrap itself. In an article entitled "On telling people" which is to be found in Essays on Reform, 1967, which is edited by Bernard Crick, Professor J. A. G. Griffith writes:

> The wish to take the lid off the machinery of government, to see how it works, who says what to whom, at what level decisions are taken, what private criteria are used, how far "politics" is allowed to override those criteria, on what statistical and other "facts" the decisions are based: this wish does not derive only from curiosity or from party animosity but also from self-interest, from *quis custodiet*, and from a feeling—by some—that governments represent another group interest.

Professor Griffith makes some suggestions that I will paraphrase for the purpose of this debate. First, we should be told much more about the background against which decisions are taken. Second, there is a vast, shaded area about which most of us know nothing and generally suspect the worst: flitting in and out of this are those who wish to appear to be of the number in the know. The nearer we are to the source of the truth, the more we will hear—although not necessarily the more truths. Obviously, foreign affairs and national defence are deepest in this shadow that Professor Griffith enunciates. We accept, obviously—who would not accept it—the need for some of this, but surely it is overdone.

Third, when the government consults private interests before finally taking decisions, could we not be told something of the bargains struck, the compromises reached, the promises given? We have an excellent example of this in the very tough decisions that obviously must be taken by the Minister of Industry, Trade and Commerce (Mr. Gillespie) on the matter of the severe problems faced by Canadian textile workers and their industry. Obviously, the government will be striking bargains with other governments and with that trade; yet the House, which at some time will have an obligation to make decisions based on those bargains, will know nothing about the background on which they were made.

Mr. Stanfield: We will be in the same position as the minister.

Mr. Fairweather: Fourth, governments could afford to be much more open about their policies. Ministers seem to be genuinely fearful of being specific about the ends they are seeking to achieve. The Minister of Justice, because he also represents a constituency embracing part of the city of Saskatoon, wrote a letter to the Secretary of State (Mr. Faulkner). Somehow, in the great system of government, that letter was classified; at least, I could not get it in the ordinary course of events and must take up the time of the House to debate this motion.

I repeat, the issue is not that of abortion or the Criminal Code. A decision was taken by this parliament on that issue. Rather, the issue is whether parliament can obtain an important letter written by one minister to another on a current, topical issue, rather than have the letter leaked to the press because of the frustrations felt by the people—presumably they were servants of the Crown—who made it available to the press.

Professor Griffith ends with a plea for "telling people". Although the article was written for British readers I suggest it is equally apt in this country. We read in the newspapers, we listen to and look at political commentators, we hear ministerial statements and we are conscious of the existence of another world, the other side of the moon. So we become cynical to the point of switching off radio and television during general election broadcasts because, simply, we do not believe what is being said. I think this is crucial to the parliamentary institution. It is a curious fact, Mr. Speaker, that just on Monday of this week the Trilateral Commission attempted to convene a conference on the governability of democracy. It is somewhat ironical that the conference could not be held because of the public service strike which meant there was doubt whether guests from all over the world could get here. However, that irony could be discussed on another occasion.

I must say, Mr. Speaker, that I am flattered that the Postmaster General (Mr. Mackasey) is in his seat this afternoon. He and I have been part of this debate since we entered this House 13 years ago. I think we have probably looked at all the same articles and we have come across a rather perceptive little book, written by Professor Brian Champman, called British Government Observed in which he says that the passion for secrecy is a phenomenon that is inherited from Great Britain: it had its origin in the days of Napoleon when the British government was anxious to keep unto itself its secrets.

Mr. Stanfield: I think the Irish have to accept some responsibility.

Mr. Fairweather: My leader mentions the Irish. It is not yet St. Patrick's Day, so I will allow him to make that interpretation. I take the presence of the Postmaster General as encouragement. He sits close to where I am and I have heard him make pretty well the same plea that I make; that is, lessen the incessant secrecy. When I was in Washington recently, for example, somebody told me that the number of classified documents in the possession of the United States of America is so monumental that easy retrieval has become impossible. Classification, of course, is therefore a joke. Mere numbers have looked after the secrecy. There are hundreds of millions of documents in a huge warehouse in Virginia and it is terribly hard to obtain access to them because of the very number.

I suggest the truth is that if anything useful and significant is to be done in this free society, it must be done publicly and in such a way as to consult, involve and carry with it those affected. I suggest this is the core of some of our frustration and the reason people are convening semi-

nars on whether democracies are governable. The government has the responsibility, as parliamentarians have, of carrying the public with it when tough decisions should be taken. If every time we attempt to take the public along with us in this decision-making we are faced with "Classified", "This is a judicial opinion", "For eyes only" or "Top secret", it seriously impedes the work we are called upon to do. Understanding and consent in this instance does not spring from some previous interaction of government and voter at a general election but, I suggest, has to be the constantly renewed product of a continual exchange of communications. This is a stage where the two uglies—I have used the words before—of dehumanization and depersonalization make it more important than ever that legislators should understand the thrust and purpose of government policies and thus are able to communicate them to the public.

● (1730)

I am sorry I have taken so much time. I suggest it is not sufficient to keep repeating—I am guilty of this as well—with boring regularity slogans like "open access" or "executive privilege." We must avoid more than mere sloganeering. We must avoid what Harold Laski once described as the "trained incompetence of the specialist", that narrowness of vision which often comes with immersion in a program or a policy field. Breadth of view must be combined with technical skill in effective policy-making. Generally, the training of information technologists does not overcome their limited social and political sensitivities. That should be particularly true of members of parliament, otherwise every one of the 264 members of this House could sit in his office and never go to Halifax, Nanaimo or any point in between and become immersed in some issue. The danger is that specialists may never hear from elected representatives about the realities of those very decisions which must be made and about how those decisions will affect the specialists themselves.

I am the last man to stand here and criticize the public service. I will not repeat the oft stated compliments. I think our public service is excellent, but I think the best public servants recognize the need for a continual flow of information from what the poet calls "the heartland of this country", because that is where the hang-ups are and where the problems are to be found. We need a process of continuous interchange. Our quest for information is not helped by a very much exaggerated classification system.

My notice of motion really has little to do with the copy of a letter. The letter was made public to the press, because somebody in the minister's office leaked it. I have spent my time pleading for the government to be much more forthright in giving information. If information is given, I suggest there will be much greater public acceptance of some of the policies of the government, and presumably this is what the government devoutly wishes.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I would like to thank my hon. friend of Fundy-Royal (Mr. Fairweather) for his quite interesting outline of the problem. He will understand however that he has already obtained an answer from the minister, to the effect that the requested document contains a legal opinion and knowing his experience and his authority, he surely approves the government for not acceding to his request.

[Mr. Fairweather.]

The Minister of Justice (Mr. Lang) objected to the motion for the production of copy of a letter which he wrote on October 21, 1974 to the Secretary of State (Mr. Faulkner) in connection with a grant to a women's group in Saskatchewan, because, according to a well established practice, the opinions of legal officers of the Crown on governmental policy matters being included among privileged documents, they have generally not been delivered. I refer him in this connection to page 272 of the 17th edition of May's Parliamentary Practice as well as to page 338 of Bourinot's Parliamentary Procedure.

The guideline governing notices of motions for the production of papers was put forward by the government and printed as an appendix to *Hansard* of March 15, 1973, on page 2288. The fact that all or part of the documents containing that opinion may have been made available to information media does not constitute a valid reason to break away from traditions preventing the disclosure of such secret documents. If mandatory disclosure applied to such papers, the freedom of expression and the frankness that are essential in the good conduct of public affairs would be seriously jeopardized and the exercise of the responsibility of guiding ministers of the Crown would thus be paralyzed.

On December 10, 1945, a member of Parliament introduced a motion for the production of copies of all orders in council, legal opinions, correspondence and other documents kept by various departments concerning the investigation on a suit for damages caused by an explosion at the marine powder depot in Bedford Basin. The minister, Mr. Mahew, replied that negotiations were under way and that it was impossible to give the hon. member a complete answer. He could give specific information, but it would have required several months to give all data. He then asked that the motion be withdrawn. Mr. St. Laurent, the Minister of Justice, added that his department refused to table texts of legal opinions submitted to other departments. This would be an evident departure from the principle of professional secrecy between a client and his lawyer. If it were the client who had to convey an opinion he had received, things might be different, but he would not like it inferred that when a department seeks the advice of the Department of Justice, the latter may not respect concerning these opinions the principle of professional secrecy which exists in all areas covering the relationship between a client and his lawyer. There were discussions on whether or not the motion should be stricken out. The Speaker stated that, since a motion for papers is not debatable, it was not permissible to rise on a point of order about it.

● (1740)

So that my colleagues may deal for a few minutes with this issue, I shall conclude by saying that I have been very much impressed by the arguments put forward by my hon. colleague about the availability of information to members of Parliament.

In my opinion, the hon. member is right. A member's work should be considered as privileged in a certain way;

perhaps he should have access to more information than he has now. On the other hand, if confidentiality and public interest often clash with our work as parliamentarians, it will take a smart one to draw a final line.

Perhaps today's debate will make us more conscious of how important it is to look into the matter more closely and with a great open-mindedness, so that we might consider parliamentarians, whatever their political affiliation, as being people who run a country and thus, need more information.

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): Mr. Speaker, since I have only a few minutes, I would like to give a brief outline of the situation relating to access to government documents, particularly as far as ordinary members' work is concerned, as mentioned by the previous speaker.

Mr. Speaker, Canada has inherited parliamentary traditions which are cherished and, at the same time, administrative discretion which is one of the greatest barriers between the citizen and the central government and which largely conditions the climate in which the latter carries out its information duties. Canadian scholars are aware of the basic conflict existing between administrative secrecy and the need for information in an active democracy.

At the highest level of our political system, decisions are made in Cabinet, by ministers who swear to keep confidential all issues dealt with, discussed and resolved in Privy Council. The press, the public, the opposition parties and even hon. members often note their powerlessness to get information related to the administration of this country.

In Canada, except for the Official Secrets Act, no regulation prevents or allows access to official documents. A decree is being drafted which will set up the procedures opening access to those documents. On May 1, 1969, the Prime Minister of Canada (Mr. Trudeau) announced that our country too was getting prepared to adopt a policy aimed at making it easier for researchers and others to gain access to federal government documents dated before July 1, 1939, and this within the limits of the national interest.

The Prime Minister went on to say that this new policy would show the desire of the government to stimulate the interest and participation of Canadians generally in the affairs of state. It has been said in the House of Commons that this was a very trivial measure, and outside the House, that this measure was not going far enough. The Royal Commission of Inquiry on National Security advocated constantly reminding departments and officials of the advisability of lowering the security on documents. However, they add that in doing so, ministers should be allowed as much discretion as possible. For example, direct access to public papers through government publications has always been freer in Canada and in the United States than in most other western democracies.

In a brief dated June 1967 dealing with the implementation of the information act, the U.S. attorney general stated:

—information distribution must be the general rule and not the exception, that all citizens have equal rights of access, that the burden of justifying the confidential nature of a document is on the government and not the petitioner.

The new legislation sets out for the first time legal procedures enabling a citizen who feels that his rights are encroached upon to lodge a complaint against an agency that refuses without apparent reason to disclose papers. Federal courts have the right to punish directors of official agencies for non-compliance.

As far as public access to government papers is concerned, the French system, for example, seems to be more restrictive than the others was examined, including Canada's. Records are no longer confidential or privileged the very day a minister authorizes the communication of documents pertaining to a specific period. In that respect, there are no automatic provisions in France such as the 30-year rule they have in the United States and Great Britain, and that has been in effect here for a couple of years.

Sweden has recognized for nearly 200 years that all government papers are of public nature unless otherwise restricted by the courts. The Swedish system and its open administration are worthy of admiration but are not necessarily easy to adopt to the Canadian situation. The Swedish form of responsible government is far from similar to ours. It might be difficult because of that to transplant successfully in this country the methods of access to public documents in effect in Sweden.

Coming back to Great Britain, a country that gave birth to our parliamentary system, their tradition of administrative secrecy was challenged by academics and was considered by a committee of inquiry on the public service.

Canada is falling behind other countries, including Great Britain, the United States, and more particularly Sweden, with respect to free access to administrative documents by ordinary citizens, members or parliament or newspapermen. But we know from what happened in the United States that legislating is not a panacea. It is possible to get round the law and twist its purpose. A constant watch has to be kept in order to make sure that access to free information, once enshrined in statutes, is an actual fact.

The consequences of that principle of free access to information are sometimes excessively feared. No one ever talked seriously about lifting all restrictions applying to document consultation. Even in Sweden, there are a number of serious restrictions. The advantage of the Swedish system is that citizens can see a practicial application of their democratic system. Yet, in my opinion, it is logical to think that anyone, a citizen and a taxpayer, may have the right to have access to documents dealing with him in some particular way, without necessarily admitting that he should be allowed unlimited access to information concerning other people. In fact, that might be prejudicial to those people, and I think in that respect we should stick to the principle of a basic prudence. In studying this motion put forward by the hon. member for Fundy-Royal (Mr. Fairweather) I have to conclude my remarks considering the principles that have been displayed here, by saying that if we consider what is going on throughout the world with respect to information, and if we look into our parliamentary system, the democratic system which rules our country, we cannot really find in

any other nation a system which might apply directly to Canada as far as access to administrative documents is concerned.

I therefore had, Mr. Speaker, to thank the hon. member for Fundy-Royal for his remarks which I agree with mostly. However, I cannot say I fully endorse the representations he made this afternoon, and which in fact he had already made several times during other parliaments. They really are very interesting, and I dare hope the government, the departments and the whole cabinet will take good notice of them to help us devise and pass once and for all regulations governing access to so-called social and administrative documents.

I thank the hon. member for his participation. The House may rest assured that if, in the near future, the government is in a position to take a definite stand, I will be most happy about it.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before I enter into the few remarks I would like to make, I wonder if I could raise a point of order. In view of the fact that the time in this hour is limited at both ends by the fact that we started late and may be interrupted at any moment by a knock on the door, I wonder if there could be unanimous agreement that this order retain its position at the top of the list for the next day that this type of order is called.

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) puts forward the suggestion that in view of the fact this hour today did not begin until well after five o'clock and will conclude before six o'clock, this motion retain its priority at the top of the list instead of dropping to the bottom, as it normally would, in order to ensure that the hon. member for Fundy-Royal (Mr. Fairweather) is given the benefit of the full hour before reaching the time limit. Is there agreement?

Mr. Caccia: As a large number of private members' bills are awaiting discussion, it seems to members on this side of the House that it would be more desirable to permit other bills that have not yet been called, to be discussed.

Mr. Speaker: The suggestion of the hon. member for Winnipeg North Centre can only be accepted with unanimous consent.

● (1750)

Mr. Fairweather: I think I have the right to speak. When I was approached by the government House leader to facilitate third reading of the government's bill, I agreed to do so because I believe in the system and in helping the government proceed with its legislation. I could have said no, but I did not. I ask the same courtesy now.

Mr. Speaker: We are on the same point or order. I now propose to ascertain whether or not there is unanimous consent forthcoming for the proposal put forward by the hon. member for Winnipeg North Centre whereby the notice of motion in the name of the hon. member for Fundy-Royal would retain its position on the order paper.

Some hon. Members: Agreed.

[Mr. Guay (Lévis).]

Mr. Knowles (Winnipeg North Centre): I am sure the House appreciates the decision which has just been made. May I just say to the hon. member for Davenport (Mr. Caccia) that returning to this motion on another day when it is called does not prevent our dealing with private members' bills. This motion can only be dealt with on a day allotted to notices of motions for the production of papers.

I want to support wholeheartedly not only the position taken by the hon. member for Fundy-Royal (Mr. Fairweather) but the excellent statement he made on this important issue. I am afraid I cannot be so complimentary about those who have spoken from the other side. Every time this theme comes up, we hear about the guidelines which were announced by the former president of the privy council, now the Secretary of State for External Affairs (Mr. MacEachen), guidelines which were appended to *Hansard* the day they were announced. Mr. Speaker, those are the government's own rules by which it determines whether or not it will make papers public.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

● (1800)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-39, an act to amend the Customs Tariff (No. 2)—Chapter 23.

Bill C-40, an act to amend the Excise Tax Act and the Excise Act—Chapter 24.

Bill C-370, an act to amend the Electoral Boundaries Readjustment Act—Chapter 25.

Bill S-18, an act respecting International Air Transport Association.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Penner): Order, please. The hon. member for Labelle (Mr. Dupras) is rising on a point of order.

[*Translation*]

Mr. Dupras: Mr. Speaker, I ask the unanimous consent of the House to revert to motions.

[*English*]

The Acting Speaker (Mr. Penner): The House has heard the request of the hon. member to return to motions. Is that agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Mr. Maurice Dupras (Labelle) tabled the first report of the Standing Committee on External Affairs and National Defence and moved that the said report be concurred in.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

NATIONAL HOUSING ACT

AMENDMENTS TO AMOUNT OF INSURED LOANS, TO INCREASE CAPITAL OF CORPORATIONS, ETC.

The House resumed, from Wednesday, February 26, 1975, consideration of the motion of Mr. Danson that Bill C-46, to amend the National Housing Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, yesterday I had ten minutes in which to start my comments on second reading debate of Bill C-46, and at that time I emphasized the importance of public housing if the most urgent needs of Canadians for housing were to be met.

I also spoke of the important role to be played by co-operative and non-profit housing as the third force in the housing field, and I quoted some words of the Minister of National Revenue (Mr. Basford), who at the time was the minister of state for urban affairs, on the subject of co-operative housing and non-profit corporations in the field of housing. I noted that he mentioned the fact that neighbourhood groups in these organizations have a vital role to play. I also mentioned that in my constituency Forward Nine Community Development Co-operative set up a housing co-operative, which now has 75 units, which they have rehabilitated and rented at moderate and low rentals. The project, I pointed out, was well managed, highly successful, and provided a model which others could copy.

I asked what the government had done. Last year parliament passed an act to amend the National Housing Act,

and by section 18 of that act it amended section 44 of the previous NHA to provide in subsection 1(b) that CMHC might enter into agreement with non-profit corporations and co-operatives to make contributions for the purpose of assisting to provide housing accommodation to individuals, or families with low income, at rentals that were less than those required to meet the cost of amortizing and operating the public housing project.

It seems to me that with the passage of that act a little more than a year ago there was a clear direction by parliament to the government to proceed in the field of assisting co-operative housing, nor was the legislation in any sense restrictive as to the nature or manner of assistance. However, its implementation clearly requires the allocation of adequate funds. So far as I can make out, no such funds have in fact been allocated under section 44(1)(b). To be fair I must say that I have corresponded with the minister on this subject, and one of his assistants assured me on the telephone that when other difficulties—which I will come to in a moment—were solved, such funds would be provided. I would like, at some stage during the discussion of this bill, to hear more from the minister on this point.

● (2010)

Another problem which has arisen in connection with co-operative housing concerns the contribution of the federal government in respect to rental supplements. I have already referred to a seminar which took place in Toronto on March 25, to which were invited the representatives of non-profit and co-operative housing. I mentioned that the former minister was present there and gave an enthusiastic endorsement to the section dealing with co-operative and non profit housing, which he called the third sector.

The then Ontario minister of housing, Mr. Sidney Handleman, spoke of the close consultation between the two senior levels of government in respect to this third sector. He went on to describe the necessity for a rent supplement, and the federal minister sitting there expressed no dissent, at least judging from what he said. Later a committee was formed to discuss the need for an adjustment of the supplemental program and to work out its details. On this committee were a large number of community developers representing projects in different parts of Ontario, a municipal liaison committee, and representatives from the Ontario regional office of Central Mortgage and Housing Corporation.

This committee made a report on May 10 of last year setting out a number of guidelines in regard to these rental supplements, and further progress was made. One agreement was reached involving a modification of the rule that no more than 25 per cent of the non-profit project would be supplemented and would be subject to supplemental assistance. The CMHC representatives were there, and apparently went along with that agreement.

In December the plans of the Forward Nine Co-operative, and no doubt, of many other co-operatives, to take advantage of the rent supplement plan, were advanced when their project was approved by a provincial order in council. There was a provincial order in council approving the projects involving rent supplements, after several months of discussion. But difficulties intervened. Where

did the difficulties come from? They came from the representatives of the federal government.

People were told that the federal government regulations were not in place. This was more than a year and a half since legislation had been passed providing for assistance to co-operatives, but their regulations were not yet in place at the beginning of this year, and it was stated that under the federal regulations senior citizens were to be excluded from rent supplemented accommodation. This was put forward on the grounds that there were other forms of legislation dealing with senior citizens.

If it is true that this objection was made, to my mind it is utterly unreasonable. Everyone knows that the integration of senior citizens with the rest of the community is highly desirable, and in a co-operative low rental project this was obviously a sound and a necessary thing.

So desperate was the situation that the Forward Nine Co-operative sent a telegram to the minister. I had it here, but I don't know where it is at the moment. I will paraphrase it from memory. In that telegram the co-operative said that their whole co-operative project was threatened with disaster unless these matters could be cleared up quickly. No doubt while I am quoting this one project in my own constituency, there are many more of these projects which are in exactly the same position.

I wrote to the minister on January 16 telling him my views on what I called a crisis for co-operative housing in Canada. He has not yet had time to respond to my letter, but one of his assistants was good enough to phone me and tell me that considerable progress had been made and that settlement of outstanding problems in regard to the regulations and the methods of operation of the rental supplement in co-operative housing was expected shortly.

I do not know whether as yet the regulations are finally in place after these months of delay. I do not know whether the funds have been made available, or when they will be made available. I acknowledge that this so-called third sector, of which the minister's predecessor spoke with such enthusiasm, is only beginning to emerge, but I plead with the minister—I notice he does not have the time to listen to me now, but perhaps he will read what I have to say; or perhaps his attitude reveals the degree of his interest in co-operative housing—that if any real meaning is to be given to the words of his predecessor and to the provisions of parliament in respect to co-operative housing, then we must have promptly the necessary regulations, and the necessary funds made available.

I say it would be tragic if the detailed plans made by the co-operatives themselves in agreement with the Ontario government—and apparently acquiesced in by the representatives of CMHC—should be allowed to fail. I ask the minister to make it clear that he adopts the same enthusiastic attitude as his predecessor to the role of the third sector, namely, co-operative and non-profit housing. I want to make sure that he tells us that he agrees with the words of his predecessor about the vital importance of this particular sector of housing.

I do not believe that co-operative housing is the total solution to this problem, but it has an important contribution to make. I think it would be a betrayal of the whole co-operative movement, of co-operative principles, of the plans which have been made and, indeed, of what parliament has authorized, if we are to have further delays and inadequacy of response to this need.

I understand that the hon. member for Oshawa-Whitby (Mr. Broadbent), the parliamentary leader of my party, is going to speak in this debate on the reason for our opposition to this bill. I will not attempt to go over that ground, but I do want to put my views in a nutshell.

The direction of the bill is once again the wrong direction. The emphasis is on assistance to financial institutions. The beneficiaries are once again those who need it least. We reject the philosophy that housing aid should be denied to those in most urgent need and provided for those who need it least. We must oppose this legislation which exemplifies the application of that philosophy which we reject.

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I rise to speak in this House to express my concern regarding this totally inadequate amendment of the National Housing Act. My hon. colleagues have spoken well and criticized the amendments, and they have proposed substantial improvements such as legislation to allow taxes and mortgage interest payments to be deducted from federal income tax, which is of more help for rural homeowners who, under the present system, cannot get mortgages from CMHC unless they are hooked up to municipal sewers. I wonder what is wrong with a good septic tank? If the land has the capacity, this is an adequate means of disposing of sewage.

● (2020)

The other ideas brought forward, the extension of the $500 grant to first time buyers of existing homes, the extension of the Veterans' Land Act past March 31, 1975, the increased availability of mortgage money at reduced interest rates, are commendable. Tonight my concern, however, is the apparent and even reasonable suspicion and fear that Canadians feel when government sponsored housing projects are proposed. Too often in the history of public housing, here and in other countries, government sponsored and developed housing units stand as monumental examples of high density, low income, low cost, substandard ghetto-type housing which creates a host of social and economic evils.

We should not be surprised at the reaction of local politicians and citizens as the senior governments come bearing these questionable gifts. The only surprise we should feel is that people did not realize much sooner the type of development that was proposed. Some of the biggest housing disasters in the world have occurred as a result of the actions of well-intentioned governments. There are many slums as a result of this type of thing.

Municipalities have not just occasionally suffered as a result of the actions of developers but have suffered even more through governments promoting this high density, low quality concept as a pragmatic and expedient political answer to housing demand and need. Now that the community has experienced some of the side effects of creating and repeating this destruction of liveability, not only are municipal governments resisting development but so are the residents who naturally, and rightly so, want to

protect their life style and the environment. This suspicion is accompanied by delays and escalations in construction costs. These will continue until the government shows innovative leadership in reaching beyond the mere creation of a housing unit and begins to concentrate on placing and integrating homes within highly desirable communities and environments.

The tools and the opportunities are available in this country now, Mr. Speaker, and I am optimistic that the minister and his administration have the expertise to do the job. If they have the will and the energy, they can lead the way in innovative housing for Canada and the world.

I hope the government will never be so total that it has the capacity to provide all the housing units required by Canadians. I would say, however, that it has an obligation, through example, to show the way in innovative housing development, and I would say that the opportunity is available here and now.

I call tonight for a concerted and co-ordinated effort by all levels of government to demonstrate leadership in the area of housing through the construction of a model community as a demonstration project in conjunction with the upcoming United Nations Conference on Human Settlements—Habitat—to be held in Vancouver in 1976.

What I propose is the construction of a model community which would incorporate the best ideas and efforts of all levels of government in co-operation with experts in the fields of urban planning, transportation, sanitation, construction, the environment and finance. Input would also be sought from sociologists, psychologists, recreational experts, consumers' groups, and tenants' associations. Hopefully, the result would be a community concept which stresses low density and an interrelationship of man and his environment to their maximum mutual benefit.

The people in my constituency were recently alarmed by a government proposal to develop a 5,000 acre city at Burke Mountain, adjacent to the greater Vancouver area. Through past experience with government proposals they feel they have good cause to fear that their lifestyle will be destroyed and replaced by high density, low cost, low income housing, with all its social and economic disruption. This need not be the way, however. The Burke Mountain area qualifies in every respect for a world model demonstration project. Canada shows leadership in many fields. I think we can be justly proud of the World's Fair in Montreal, and we are again showing leadership in promoting the Olympic Games in Montreal. But I think Canada can do more than that. We can show leadership in housing as well.

A conference has been arranged to be held in Vancouver to talk about human settlement. I think it is important that this should not just produce another pile of paper to be recycled. We should be taking advantage of the expertise that will be coming from all over the world. We should have a model ready to be presented to the conference, and we should welcome the input from people from older civilizations. They could travel out to see this beautiful site. Burke Mountain is a low level mountain, with forests, ravines and rivers. It has a tremendous potential for development, but of course many people would prefer that it remain in its present condition on the periphery of development of one of Canada's largest cities. But it is inevitable that the area will be developed, and it has already been marked for this by the municipal and provincial governments.

Instead of creating another housing project with more dwelling units, I think we should take this opportunity to create something in tune with the environment, and develop this project as a world model. There will be other models at the conference, of subdivisions and so on, but I am talking about a major world innovative project based on the best planning available in Canada, and supplemented by the expertise available at the world conference.

I am pleased that the response to this project has been positive, and I commend the Minister of State for Urban Affairs (Mr. Danson) and the Minister of the Environment (Mrs. Sauvé) for showing interest. Mayor Tonn of Coquitlam and the council are most enthusiastic as well. I have also spoken with the premier of British Columbia and his minister of housing, who have both expressed interest.

I am pleased to announce tonight that I have arranged a meeting for March 5 to be chaired by Dr. Walter Hardwick of the University of British Columbia, to consider this proposal further. I should thank the ministers involved for making the expertise of their staffs available to us, and I should thank as well members on all sides of the House who will, I hope, be represented at this meeting. I think it is important to note that the province of British Columbia, the regional districts and the municipalities are co-ordinating their efforts in a non-political, non-partisan way in order to try to do something about a major problem in this country.

● (2030)

I call on the minister to examine the ideas I have put forward. Let him apply money and expertise to the solution of our housing problems. Let him confer with the head of Central Mortgage and Housing. A good beginning has been made in Ottawa with a model development. Similar developments ought to be encouraged. I hope the minister will encourage other similar programs and make them realities, so that he, as the housing minister for all Canada, will lead the way in bringing about solutions.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in talking on this bill on behalf of my party let me state precisely how we look on housing.

We begin by assuming that housing is not a commodity, not a chattel, not a service like any other in society. It should not be a resource which we can or cannot buy, depending on income. We do not liken it, for instance, to something like colour television, which one can or cannot afford, depending on income, or to an expensive automobile, which one can or cannot buy, again depending on income. We do not think housing can be regarded as a commodity of that kind.

We believe that housing, like medical services and like education, at least up to university level, should be available as a basic social right. Housing is a right to which every Canadian family is entitled by virtue of being part of our society. We test housing legislation by asking how it conforms to this general principle. We ask does the legislation recognize that housing is a social right, that

houses are not a commodity like any other in society? Second, if the legislation recognizes housing as a right, does it do something to fulfil that right? If the legislation meets either test, particularly if it meets our first point, we supported it, even though it may not go far enough in providing all the necessary details. Certainly the first test is crucial. The measure before the House completely fails to meet that test. There could not be a more clear revelation of Liberal philosophy on housing, a philosophy which has certainly continued since 1968 when the Prime Minister (Mr. Trudeau) took office.

Of the many ministers and departments which have been given responsibility for housing, not one has brought forward legislation clearly embodying the notion that housing is a social right. Actually the legislation which has come forward has suggested just the opposite, namely, that the market will ultimately determine whether a Canadian family will obtain a house. Any mechanisms introduced by the government for providing housing have been aimed at the banks, trust companies and other financial institutions. The aim of the government has always been to give incentives to these basically market-oriented institutions to provide services.

It is morally absurd and economically fallacious to pretend that our housing needs can be, or ought to be met by policies of this kind. Legislation of this kind is as outdated as legislation would be which tried to reverse the principle of medicare. But that is precisely what this government continues to do; I shall show later exactly how it does so.

First let me say something about the real housing needs of Canadians. What is the situation? The minister himself, according to an interview reported in the Ottawa *Citizen* last October, acknowledged that Canada still needs to establish a minimum of 800,000 new housing units, which includes new housing as well as rehabilitated units. Altogether we need a minimum of 800,000 newly established housing units for the people of Canada. That figure was mentioned by the minister; he was not far wrong, and I give him credit for acknowledging the need. On the other hand the Canadian Council on Social Development says that we need one million units if we are to meet the housing needs of Canadians.

What is the human meaning of the figures mentioned by the minister and by the Canadian Council on Social Development? They mean that four million Canadians are inadequately housed. That is what the figures mean in human terms. They mean, as the minister knows very well, that more than 50 per cent of our native people are grotesquely under-housed. They mean that people in the Maritimes are inadequately housed to a disproportionate extent, and that people in our large cities, in Toronto, Vancouver and Montreal in particular, are inadequately housed. They mean that four million Canadians, men, women and children of every racial origin in our society, are inadequately housed. Surely in a society enjoying one of the highest per capita incomes in the world in 1975, this situation is unjustified. There is no excuse for it, considering our present economic potential. I am not talking about Utopia. I am talking about the state of our economy in 1975. The fact that four million Canadians are inadequately housed should make us, as legislators, ashamed.

What about housing starts? The minister himself acknowledged the need. But what has been the record of the government and of the minister? In 1974 we saw 222,000 housing units constructed. That figure does not represent an increase. It is the lowest number of new units built since 1970; it is the lowest number built in four years. Instead of increasing, our housing starts are declining. The minister expressed the hope that in 1975, 210,000 units will be built. That is a lower figure than the one applying to 1974. He is not increasing the number of units which are to be built each year. He acknowledges as a target a lower figure, a lower number of units than was built last year.

We discovered, when we saw the figures for January, that if the present rate of construction is projected forward for the rest of the year, instead of even 210,000 units being built to meet the minister's target, only 176,000 will be built.

Mr. Railton: How does that compare with what is happening in the U.S.A.?

Mr. Broadbent: The Liberal member opposite asks how this performance compares with what is happening in the U.S.A. Liberals always try to compare what happens in the United States with what happens in Canada. I rejected such comparisons long ago.

Mr. Railton: We have done five times better.

Mr. Broadbent: The United States does not have medicare—does that mean that we should reject the principle of universal medicare? We have all kinds of social programs in this country that they do not have in the United States.

Mr. Railton: Tell us more about the 210,000 proposed units. How does that compare with what they are doing in the United States?

Mr. Broadbent: It is characteristic of the Liberal party that it has always looked to the United States for its ideas. That is a crucial part of its problems.

Mr. Railton: That's rubbish, and you know it.

Mr. Broadbent: I do not want to deal with what is happening in the United States. I am speaking about Canada.

I suggest that if the January rate of construction is projected forward for the rest of the year, we will build only 176,000 units in 1975. One might say, "Oh, that is only the January figure, the situation will improve as the year continues." The fact is that compared with last January the number of units constructed this January was down 49 per cent. I remind hon. members that last year was the worst in four years. In short, the rate of construction at which we are now proceeding will mean that the minimum target acceptable even to the minister will not be met.

● (2040)

What about the overall budget? Three or four days before the last election the Prime Minister said in a speech in Vancouver that we have a housing crisis. He said there was a housing emergency in Canada. When I asked him

questions about housing in the first month of this parliament, his answer was that somehow the crisis had disappeared because he had been elected for at least a four year term and had that amount of time to deal with it. That is typical of the Liberal party when it comes to carrying out serious social objectives.

Let us apply the test by looking at this budget to see what kind of money the government is putting up for what the Prime Minister described as a crisis. For 1975 the budget is being increased to $1.2 billion from $913 million last year. On the surface this looks like an increase. In fact the minister is quoted as saying it is a 12.5 per cent increase.

I wish to make two points. If you take the estimated rate of inflation for 1975 which was provided to the Minister of Finance (Mr. Turner) by his advisers, it is in the neighbourhood of 10 to 12 per cent—and that is a conservative estimate. You must also consider that the inflation rate in housing has been higher than the general increase in the cost of living. The inevitable conclusion you would draw, keeping both those facts in mind—

Some hon. Members: Oh, oh!

Mr. Broadbent: If we could have order, Mr. Speaker, it would be nice to hear some substance instead of wind from the Conservative party. I would be interested in getting a serious question from them at any time.

If you take the rate of inflation in general and the rate of inflation in housing in particular, there is in fact a reduction in real dollars in the government's housing budget for 1975. The minister must admit that. I look forward to his comments on that later in the debate.

One provincial minister of housing estimated that, far from being an increase, there has been a 20 per cent reduction in real dollars allocated for housing. I do not necessarily say it is 20 per cent. However, I do say there is no increase in the amount of money to be spent on housing by the government. Surely that is totally unacceptable.

Let me say something about mortgage rates. In 1974 mortgage rates went as high as 13 per cent. They recently came down a bit, and are now about 11 per cent. Second mortgages are still going at between 14 and 16 per cent. What does this mean in basic human terms?

On the average mortgage a family has to pay approximately $250 a month just for the interest rates. They are paying some bank or other financial institution $250 a month. How many people in Canada can afford that? The question is rhetorical. The minister knows that in terms of income, it excludes about 80 per cent of the families in Canada. They simply cannot afford to pay that. Surely it is an unacceptable situation. If we regarded housing like we regard medicare, we would make a change in our financial administration so that families do not have to get into that kind of bind, and the majority of families would be able to buy houses.

What about housing costs? In 1974 the average price of a home in Canada was $42,000. From west to east the provincial averages are as follows: British Columbia, $43,200; Alberta, $37,200; Saskatchewan, $24,000; Manitoba, the data is not yet available; Ontario, $46,900; Quebec, $32,900, and the Atlantic provinces, $30,500. I again ask rhetorically, how many Canadians can afford homes in that price range? The answer, of course, is very few.

What is the general conclusion? After considering the supply of housing the government hopes to bring on the market, the mortgage situation, prices for 1974, and what they are likely to be in 1975, the conclusion is inevitable. The poor in our society, that 20 per cent of Canadians who live below the poverty level, are right out of the picture in terms of being able to afford housing in this country. There is no way they fit into the market. That is the first point.

The second question is where does the average family of the lumberman on the west coast, the packinghouse worker in Toronto and the steadily employed person in Halifax, find itself in terms of being able to purchase a house? I am talking about the regularly employed family which is not afflicted by unemployment or living on an inordinately low income. The fact is that it too is excluded from the housing market.

Young families simply cannot afford to buy houses in most places in Canada, even though their incomes are quite reasonable in terms of existence in society in a general way. In short, whether we consider the poor or the average family, housing is by no means a social right. It is still very much a commodity in the market place, to be bought or not bought by those with a substantial amount of income at their disposal. Housing is far from being a social right. It is still the privilege of the affluent in society. It is out of reach for the vast majority of Canadians, but so far the government has not done anything about it.

I have referred to the past and current market situation. Now, I ask what about the minister's bill? It deals with four areas. First, there is AHOP, the Assisted Home Ownership Program, that marvellous election promise of the Liberals. This legislation provides a subsidy of up to $600. However, who gets that money? It will not directly benefit the low or average income earners. The Liberal party, true to its historic traditions, has decided to subsidize the banks. It is a continuation of the corporate rip-off.

The typical solution of the Liberal party is to help the poor by giving money to the rich and hoping it will trickle down. I see the minister shaking his head, the implication being that this is not a subsidy to the banks. I will point out how I think it is a subsidy, and the minister can correct me.

Let me use the example of a mortgage rate of 10¾ per cent. A family may qualify for the AHOP loan and receive the maximum $600. What procedures are followed? This may bring down the mortgage rate that family has to pay by two percentage points, to 8¾ per cent. Does this mean the bank gets only 8¾ per cent? Of course not. The bank will still get 10¾ per cent because the great generosity of the Liberal party is going to provide that $600 to the family on condition it is passed on immediately to the banks.

● (2050)

All this program does is provide money to the banks from the pockets of the taxpayers of Canada, and channel it through the hands of the people who need housing. It does nothing at all to force the banks to bring down

interest rates. It does everything to increase their profit margin.

The program is harmful, too, inasmuch as it takes the pressure off the banks to bring down mortgage rates. To put it in blunt terms, why the hell should they? Why should they bring down mortgage rates if the government is going to subsidize them at present levels? So they keep them high, and hope the government will continue to pay people money to pass on to them. Apart from that, it is a waste of money. It is estimated that for 1975 the cost of this marvelous, new, progressive legislation will be about $35 million. I say it is a gift to the banks.

If the government wanted to make a sensible amendment to the AHOP program it could borrow money at 9 per cent. I should like to get the minister's attention so that he could reply to this point.

Mr. Guay (St. Boniface): Say something worthwhile, then.

Mr. Broadbent: The only time a Liberal thinks anything is worthwhile is if you agree with him.

An hon. Member: Are you any different?

Mr. Broadbent: If it really wishes to benefit the people instead of the banks why does not the federal government borrow money at 9 per cent, which is the current rate it pays for funds, then apply the subsidy itself and put the money out at 7 per cent, instead of getting it through the banks and subsidizing the high mortgage rates? The government can get money at 9 per cent. Why should it subsidize the banks at 10¾ per cent? The method now proposed is totally unjustified, even accepting the basic assumptions of the Liberal party.

Next, the bill provides financial incentives for private developers, encouraging them to build more rental accommodation. Once again this program is a direct subsidy to the developers so that they will build more houses. It is a giveway to the developers.

The third aspect of the bill is that dealing with non-profit housing corporations. I must say that when I read this part I thought there had been a terrible mistake in the legislation. I reached that conclusion because the bill seemed to make sense. How, I asked myself, could the Liberals be proposing to acquire land for non-profit housing? I thought there had been a grotesque error somewhere—that somebody on the Treasury Board or in the department had made a mistake. However, reading on, I found my prejudices about the Liberal party were confirmed.

I discovered that though they had decided to acquire land for private housing they intended to remove the 10 per cent capital grant which was formerly available. In effect, they were saying to the poor people right across the country, "We shall buy this land for you, so go ahead and build your housing units; at the same time we are taking away the 10 per cent capital grant we formerly provided." That is a typical piece of shifty work by the Liberal party. They give with one hand and take away with the other to make sure there is not redistribution of wealth in the country—that would fly in the face of everything that party stands for, Mr. Speaker.

Next, the government is to provide assistance in connection with sewage systems to municipalities. Here I am glad to say the Liberals have done something which in principle one cannot object to, and the amendments in this area make sense. One could quibble about detail, but I will rest there. I think it makes sense. Even though it is brought in by the minister responsible for housing I still think it is good, and he must be given credit.

To sum up, three of the four aspects of this housing legislation are totally contradictory to the principle that housing should be a social right.

What is an alternative approach, in 1975, which recognizes that we need a million new units and acknowledges at the same time that behind the statistics are four million Canadian lives? What if we took housing seriously as a social objective, recognizing that housing is a social right, and that unemployment is running at 7 or 8 per cent? First, instead of $1.2 billion for housing the budget should be at least twice that amount for 1975. This would also mean a serious commitment to creating thousands of jobs in a year which will likely be the worst in terms of numbers unemployed than any year since the depression. So, in terms of facing up to a social responsibility it makes sense, and in terms of creating the number of housing units we need it makes sense. That is the first step we should take.

Second, instead of relying on the private sector, instead of providing financial incentives and all kinds of rip-off opportunities, the money should be channelled through public hands and kept entirely in public hands until it gets to the people who really need housing. How could that principle be implemented?

Let me deal first with land assembly, which represents a major cost of housing. The federal government should duplicate on a national basis what the Manitoba government has done.

● (2100)

The Manitoba government in Winnipeg—I see the hon. member for St. Boniface (Mr. Guay) listening to my remarks and perhaps he will interject on this point—through the means of public land assembly found it could buy land, provide the servicing required in the form of sewers, water and so on, and sell lots for $7,000 a unit. That is exactly half the price that the commercial market has established in the city of Winnipeg today. The kind of financial incentive, the free market wheeling and dealing that is supported by the Liberals and Conservatives sees lots selling in the same city of Winnipeg for $14,000, twice the price of land assembled publicly by the government of Manitoba.

That demonstrates that a government that wants to regard housing as a social right, and which uses governmental authority in the interest of the people, can bring down land costs by 50 per cent. I should like to see this kind of program duplicated across the country on a national basis, and a government committed to this would put up the funds that would enable such a program to be implemented.

The second point I want to make is connected with mortgages. Instead of providing charity to the banks and using millions of dollars of taxpayers' money under AHOP

to subsidize the banks, as the minister is in this crass legislation, what the government should do is to amend all legislation pertaining to the Bank of Canada and financial institutions so as to make it mandatory that banks place a certain percentage of their investments in mortgages at 6 per cent.

I see the minister shaking his head in bewilderment, and I do not doubt it, because what is involved in this suggestion is the taking on of the banks in our society. It is exactly analogous to what the government of Saskatchewan did a few years ago when it brought in medicare. The NDP government said that medical care was a social right. Every other reactionary force in society, including the Liberal party of Saskatchewan and the Tories, said no, we could not do that. They said we could not challenge the medical profession in that kind of way. But we did in Saskatchewan, and within a few years all other parties across Canada suddenly discovered that you could take on the medical profession. They suddenly discovered that the majority of Canadians liked medicare.

I say that the majority of Canadians would like more money at 6 per cent, but the only way to give it to them is to say to the banks that on a certain part of their investments, they are not going to make a profit. They can make a profit on colour television sets, electric tooth brushes and other gadgets, on the financing of shopping centres and so on; but on any money that they put up for housing for the people of Canada they will not make a profit. Over all in their operations they would still be profitable. A 6 per cent mortgage policy could be implemented on that kind of basis, and on no other. However, I do not expect the Liberal party, which has never been known as a party willing to take on the banks, to understate the position a wee bit, will move in that direction. But if it wanted to it could, and it should.

Finally, the new emphasis on housing policy for low income people in particular should be placed upon co-operative housing. In 1973 the budget for co-op housing was $2 million. It has now been raised to a paltry $4.5 million. If the government wants to make it possible for poor Canadians to get housing, then this is the sector into which it should move. Yet it has allocated a paltry $4.5 million. If the government wanted to express a genuine concern on the part of this parliament for the real housing needs of the people, it should expand this sector of its housing budget beyond what it is at the present time.

I conclude by saying on behalf of my party—

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Tories will have an opportunity to express their eighteenth century philosophy as soon as I sit down. The New Democratic Party a few years ago fought the battle for medicare.

An hon. Member: And lost.

Mr. Broadbent: And won. Every damned Tory and Liberal government in the country copied it, once they found it acceptable. We fought the battle for medicare a few years ago because we believed it was the social right of every Canadian. From this year on we have every intention of fighting the battle for housing. I believe that in a few years housing will become the social right of all Canadians, and the snickers and sneers that we are hearing tonight from the two old line parties will be laughed into history.

● (2110)

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am happy to have the opportunity of making a few comments on a bill which strikes me as very important for all Canadians, and which, in addition, represents an element of prime importance in our economy.

I am sure the government recognizes the urgency of intervening quickly in this problem of prime importance to all Canadians, but again, I feel the government proves incapable of implementing the required measures.

I should like to point out to the House, Mr. Speaker, that though the bill now being studied is not bad in itself, it does not meet the real needs of Canadians where housing and urbanism are concerned. We are at grips with what seems to me to be a fundamental economic problem in Canada, which needs to be resolved as quickly as possible. As I said a moment ago, this bill falls far short of suggesting the solutions needed to the housing problem in Canada.

Mr. Speaker, a housing policy for Canada has been for many years part of the Social Credit Party platform. Everybody knows that this is a serious problem which affects all Canadians, and this is one of the reasons why the Social Credit Party of Canada strongly supports the development of a housing policy.

I suggest that, although it may be sound theoretically, the housing policy which is set forth in this bill would not work. The grants will benefit people with above average income, while small earners will not be eligible. It is high time, Madam Speaker, for the government to become aware of this problem. The government should unquestionably increase the grants to small earners, thereby giving them once and for all access to single dwelling housing. I feel that the changes to the bill are very important and acceptable as a whole, but that this bill is still incomplete, imperfect and, as such, fully out of touch with the needs of the underprivileged.

I am delighted to see that the bill provides increased assistance to non-profit making housing projects and to housing co-operatives as well as federal programs of land rentals for non-profit making and co-operative housing. Moreover, I think that the latter will enable the corporation to purchase and improve lots and rent them at a very low price to non-profit making corporations. Another amendment which seems to be important but only for some people is the aid granted by the government to facilitate the purchase of a house. On the other hand, I consider that the low amount of $500 granted for that purpose will be insufficient for individuals with low incomes.

Since housing is essential for all, that it is a consumer's item which is costly, it is undeniable that we must deal with the matter in order to help the underprivileged as soon as possible.

I think it would also be advisable for the government to provide and build homes for senior citizens, because most projects are on a cost-share basis and unfortunately, funds are often earmarked for this or that project and the province of Quebec, particularly, uses them according to its own priorities. We all know that there is a lot of confusion and unrest in Quebec now. I think that the federal government would be well advised to assume its responsibilities and build homes for senior citizens and for people with low income. It should build moderately priced housing, as is more and more the case now.

As recent statistics show, in many families, 30 per cent of the budget goes to housing. This means that the cost of housing represents about a third of the consumer price index. The most affected by this remain citizens with a low income.

Madam Speaker, housing is essential to all Canadians. He must fight against the hardship of winter and have a home where he can fill his needs.

Today, it is almost impossible to buy a house, considering loans are for a 40-year period, and this only tends to sink people into debt for 40 years. We all know that under current standards houses have a guaranteed life span of 20 years. But contrary to logic loans are made for a 40-year term. After 20 years, the house is finished and the sad owner is left with another 20 years of payments. What for? Absolutely nothing. The house is uncomfortable, and he might as well live out in the open.

As I indicated, it is almost impossible to own a house today, considering loans are granted for a 40-year period. This is discouraging for people. I feel someone wishing to build a house of any type should be able to repay in ten years. But it is the opposite way. A great many people own houses guaranteed for 25, and even 40 years, still carrying mortgages higher than their value, to the point that owners cannot even repay, and let them go.

Madam Speaker, I would like to discuss some ways of giving each Canadian the opportunity of getting decent housing on normal terms.

As a first solution, interest rates should be brought down, since they are very high, and money should be made more readily available to every citizen, because each one of necessity must find shelter.

One of the points the government has finally understood is the lowering of the sale tax on building materials from 12 to 5 per cent. That reduction is most likely to end in a smaller increase in the cost of a house, rather than in an immediate lowering. Moreover, Madam Speaker, are we Social Crediters not the ones who have been calling for that for many years? Yes, Madam Speaker. This example has been followed by builders and real estate agents as well as by consumers. One thing is sure: that reduction does not immediately really influence the price of a single-family house, and the next increase will certainly be countered or less steep.

Once again, we urge the government to encourage Canadians to build single-family houses by guaranteeing them long-term loans at an administrative rate. Furthermore, we would like single-family house owners to benefit as well from a tax reduction equivalent to the interests they pay on mortgages and the amount of their school and municipal taxes.

I would like to make a digression to stress that the government now seems to give $50 on the interest the borrower has to pay. It would be better if the government would give this to those who borrow. The way it acts now, it encourages loan shark and usury and I am convinced that this is a bad thing.

Once again, we invite the government to spur Canadians to build their own family house, as I said earlier, by providing them with long term loans at low interest rates.

Madam Speaker, I hope wholeheartedly that the bill now before us is for the benefit of all Canadians.

● (2120)

[*English*]

Mr. John Reynolds (Burnaby-Richmond-Delta): Madam Speaker, this is the first time since he was appointed I have had an opportunity of speaking in the House while the Minister of State for Urban Affairs (Mr. Danson) has had a bill here, and I want to congratulate him on his appointment to office. It certainly is refreshing to have a minister who can get mail answered more quickly than the hon. member for Vancouver Centre (Mr. Basford) used to answer his mail, and it seems that he is making some progress in the housing field.

Mr. Danson: It's the Post Office.

Mr. Reynolds: Perhaps the minister should be made Postmaster General.

It is always a pleasure to speak after we hear the Leader of the NDP (Mr. Broadbent) speak because it always seems that his party has a great ability to distort some of the things the government or the opposition says. I certainly think that the Leader of the New Democratic Party distorted the part of the bill dealing with AHOP. For just a few moments I thought that the NDP was accepting the financial philosophy of the Social Credit Party when its leader spoke about solutions in financial areas.

It is interesting that we have a bill before this House on housing just two days after we received in the mail a brochure from the government of British Columbia which, as everyone is aware, is a New Democratic Party government, and to hear members of that party applaud in this House for their leader, and to hear their sanctimonious views on solving the nation's problems, we wonder why they cannot solve those problems in the province of British Columbia.

An hon. Member: Hang them all.

Mr. Reynolds: Hon. members of the NDP wish to interrupt and talk about the hanging bill instead of about housing, because it is something which bothers them and something which is very unpopular in their party. I can only remind hon. members that in the last parliament they had some 30 members, and now they are down to 13.

Some hon. Members: Hear, hear!

Mr. Broadbent: That's a persuasive argument.

Mr. Gilbert: How many Tories are there in B.C.?

Mr. Reynolds: Thirteen Tories in B.C. and only 2 NDP. NDP members are really upset when they are told the truth and given the facts. I can only say that the New Democratic government of B.C. will probably reduce their numbers in B.C. just as they did federally in the last election.

Some hon. Members: Hear, hear!

Mr. Broadbent: Tories and Liberals are cheering each other again.

Mr. Reynolds: It is nice to see that they are finally listening to something. After two and a half years in my province—and I am not saying the provincial government is completely to blame because the federal government has some responsibility in housing, although I personally believe it should be giving that responsibility to the provincial governments and municipalities and supplying the money to do the job—but after two and a half years of a socialist government in my province, it was interesting to read in *The Province*, a Vancouver newspaper, on Saturday, February 22, under the headline "City Leading in Home costs":

> Vancouver has replaced Toronto as the most expensive residential real estate market, according to a chart prepared by the national service of A. E. LePage Ltd. . . .
>
> The company said that a house that cost an average $50,831 in Toronto would cost $52,356 in Vancouver, a difference of $1,525.

I think that is a great example of some of the ideas of socialism.

Mr. Broadbent: Thank free enterprisers for that.

Mr. Reynolds: After two and a half years, a home in my riding which could have been bought for $35,000 now costs $55,000. If that government stays in power much longer the cost will be $75,000.

After two and a half years all that the great provincial government in my area can bring out is a nice brochure called "Housing for People", published by the British Columbia department of housing. I just want to read the first page, written by the Hon. Lorne Nicolson, who is our great provincial minister of housing. He says:

> Most British Columbia communities are proud of their residential areas lined with attractive homes and well kept yards. But there are still far too many households living in deplorable accommodation.
>
> The goal of this government is to provide access to adequate and reasonably-priced housing as a basic human right for every citizen of our resource-rich province. As with health care, education, and the other social services, it requires all levels of government to work together to make this possible.
>
> The provincial government, through the new Department of Housing, is attempting to meet its share of this challenge with its HOUSING FOR PEOPLE programs.
>
> In its first year, the Department has chalked up an impressive record. But this is just the beginning. Our programs will be improved and expanded.

That "impressive record" is the highest cost of housing anywhere in Canada, and the lowest rate of apartment availability of any province in Canada. That is the record of the government of the province of British Columbia, and I think it is pretty poor. The rest of their brochure is filled with pictures, including one of a poor child eating spaghetti, a great public relations job by a public relations firm, but it certainly has not solved housing problems in British Columbia.

This bill will not really solve all the housing problems in Canada, although my party approves of the bill in principle. The only part of the bill that has any real relevance is the sewage treatment assistance, which is certainly needed in many areas of my riding and throughout Canada. One of the problems we have to relate to in housing—I can remember at a committee meeting on the last estimates asking the minister and the president of CMHC a very simple question, and I hope the minister, either in this House or when he speaks on this bill in committee, will be able to give us some answers—is that the government could not tell us a few months ago how many serviced lots were needed in the city of Vancouver to keep the housing market at an even trend.

Nor could it tell us how many housing lots were needed in the city of Toronto to keep the market at an even trend. If the government cannot tell us how many lots are needed, that is where the problem lies. I hope the minister will be able to answer that question in committee because I do not see anything wrong with being a free enterpriser, however much the gentlemen to my left seem to think there is something wrong with it. I think the people in the free enterprise building market can solve housing problems in Canada as long as they do not get the interference that are getting from all three levels of government right now. All they want to know is that there are lots available—

Mr. Broadbent: Subsidizing the developers.

Mr. Gilbert: Barney is going to subsidize you, don't worry.

Mr. Reynolds: We have had a short interruption from the New Democrats, and again they are distorting things. I did not mention one word about subsidization. Free enterprise in this country can build houses without government subsidies. It does not need government interference either. It galls me to stand here and listen to these people talk when, for a year and a half, they sat in bed with the government and approved all its policies, and now they are saying they are bad.

Mr. Gilbert: Check your record of voting on housing.

Mr. Reynolds: All we need in this country to solve the housing crisis is for the free enterprise builders of this country, and we are not talking about all the large developers—

Mr. Broadbent: On a point of order, I wonder if the hon. member made reference to the fact that this party—

The Acting Speaker (Mrs. Morin): Is this a question or a point of order?

Mr. Broadbent: A point of order, Madam Speaker. The hon. member suggested that the New Democratic Party supported all the policies of the previous government. I just want to point out that it was his party which voted with the government on the mortgage mechanisms bill, and it was only the NDP which voted against it.

Division

The Acting Speaker (Mrs. Morin): This is a matter for debate and not a point of order.

Mr. Reynolds: It is interesting to watch the N.D.P. members after a year and a half of voting with and keeping the government in power, now blaming this party for keeping that government in power.

Mr. Broadbent: Don't get confused by the facts.

Mr. Reynolds: This country needs serviced lots so that houses can be built. It needs a federal government which is willing to negotiate with the provinces and tell the provinces that, if they expect to receive federal money, they had better make sure there are enough serviced lots on the market every year to maintain the housing market in Canada. That puts the problem right into the hands of the builder and the developer.

All we hear from our friends to my left is about big developers. I want to tell them I come from a riding which is one of the largest in Canada, and the big, bad developer in my riding builds only six to ten houses a year. He is a small Canadian businessman, and he is having a hard time because of government interference.

I want to close because we want to get this bill into committee so that we can receive some answers to these questions from the minister. We hope he will be prepared, because this party is prepared to do anything to get housing going in Canada, and we are not prepared to stand around and make phony statements, as does the N.D.P. party to my left. We want to get some housing built in this country, so we want to get this bill to committee.

● (2130)

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Call in the members.

The House divided on the motion (Mr. Danson), which was agreed to on the following division:

● (2140)

(*Division No. 19*)

YEAS

Messrs.

Alkenbrack
Allard
Allmand
Anderson
Andre (Calgary Centre)
Andres (Lincoln)
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Baldwin
Beatty
Beaudoin
Béchard
Blaker
Blouin
Boulanger
Breau
Brisco
Bussières
Caccia
Cadieu
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Condon
Côté
Crouse
Cyr
Danson
Darling
Daudlin
De Bané
Dinsdale
Dionne (Kamouraska)
Dionne (Northumberland-Miramichi)
Douglas (Bruce)
Dubé
Duclos
Dupont
Dupras
Duquet
Elzinga
Epp
Faulkner
Fleming
Foster
Francis
Fraser
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hamilton (Qu'Appelle Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Herbert
Holmes
Holt (Mrs.)
Hopkins
Huntington
Isabelle
Jamieson
Jelinek
Johnston
Joyal
Kaplan
Kempling
Korchinski
Lachance
Lajoie
Lalonde
Lambert (Bellechasse)
Lang
Langlois
Laniel
Lapointe
Lee
Loiselle (Chambly)
Loiselle (Saint-Henri)
MacDonald (Cardigan)
MacDonald (Miss) (Kingston and the Islands)
MacEachen
MacFarlane
MacKay
MacLean
Maine
Marceau
Marchand (Kamloops-Cariboo)
Marshall
Martin
Masniuk
McCleave
McGrath
McKenzie
McRae
Milne
Morin (Mrs.)
Muir
Neil
Nicholson (Miss)
Nowlan
O'Connell
Olivier
Ouellet
Paproski
Patterson
Pearsall
Pelletier (Hochelaga)
Penner
Philbrook
Portelance
Railton
Reid
Reynolds
Richardson
Robinson
Roche
Roy (Laval)
Schellenberger
Sharp
Smith (Churchill)
Smith (Saint-Jean)
Stanfield
Stevens
Stewart (Marquette)
Stollery
Tessier
Towers
Turner (London East)
Whelan
Whiteway
Whittaker
Woolliams
Young—143.

[Mr. Broadbent.]

NAYS

Messrs.

Brewin
Broadbent
Gilbert
Hogan
Knowles (Winnipeg North Centre)
Nystrom
Peters
Saltsman—8.

● (2210)

Mr. Speaker: I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Health, Welfare and Social Affairs.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, I wonder if I could ask the acting prime minister if he will reverse the order of business which he announced for tomorrow. Is it a fact that the Northwest Territories bill will come forward first and that, in the absence of the Minister of Indian Affairs and Northern Development (Mr. Buchanan), the Minister of National Defence (Mr. Richardson) will pilot it through?

Mr. Sharp: Mr. Speaker, since there seems to be a better chance that the Northwest Territories bill will get through rather than the other bill during the course of the day, it is my intention to call it first, which I hope will elicit a very short debate, and then we could go on to the farm credit bill.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

BROADCASTING—CODE GOVERNING STANDARDS OF TELEVISION PROGRAMS

Mr. James A. McGrath (St. John's East): Madam Speaker, on February 13, as recorded at page 3185 of *Hansard*, I directed a question to the Minister of Communications (Mr. Pelletier) regarding the need for regulations putting into place guidelines to govern sex and violence on Canadian television. My question was prompted by a number of questions raised in the House by a number of concerned members of parliament over the growing tendency by Canadian television, and especially CBC, to depict violence on programs and to portray explicit sex scenes and offensive language.

Like most decent people in this country, and especially parents in this country, I am becoming fed up, as, I am sure, many hon. members are, with this tendency. I can say that I am growing extremely impatient with the failure of the statutory authority, in this case the CRTC, to enforce regulations in accordance with the mandate they have under the Broadcasting Act that would specifically prohibit broadcasters, especially CBC, from offending the morals and mores of the vast majority of people in this country. Hardly a week goes by in which there is not such an offending program that contains offensive language, explicit sex scenes, and violence bordering on sadism.

I will be the first to admit that there is little or no evidence to indicate that explicit sex on television is harmful to young minds, but there are few who would disagree that sex on television offends our Judaeo-Christian moral standards, whether it is the Friday night blue movies in Toronto or what passes off as Canadian content on CBC television. I doubt very much if there is a member of this House who has not received a letter from an irate constituent who was shocked by what he had seen on Canadian television, and especially in recent years on the CBC.

But there is a real case to be made about the harmful effects of violence on television. Violent crime is on the increase in Canada as well as in the United States. The Surgeon General of the United States, when he appeared before a U.S. senate subcommittee a few months ago, reported on a study that had been made by a scientific

committee covering a period of two years. This was his blunt conclusion:

"The overwhelming consensus and the unanimous Scientific Advisory Committee's report indicate that televised violence, indeed, does have an adverse effect on certain members of our society . . . It is clear to me that the casual relationship between televised violence and anti-social behaviour is sufficient to warrant appropriate and immediate remedial action . . .

A research scientist at Stanford University said that there is exposure to violence on television and that:

. . . aggressive behaviour *on a one-time basis* can be repeated in free play by as high as 88 per cent of the young children seeing it on TV.

Even in our own country there is concern. A few weeks ago the Solicitor General for Canada (Mr. Allmand), in a speech in Toronto said, and I quote from a press report:

. . . that his department is studying television violence and may limit programs containing violence if it concludes they encourage aggressive behaviour.

I quote again from another Canadian source, and this is a recent press report:

Chief Justice George Gale of Ontario's Court of Appeal has urged entertainment industries purge themselves of excessive violence as part of an attack on urban crime.

He went on to say:

. . . "it's little wonder children eventually go out and try to practice what they have seen."

In the very few minutes at my disposal on this adjournment debate obviously I cannot go into the arguments in any substantive way. I believe that the evidence is in, and it warrants action on the part of the government through its agency in this regard, the Canadian Radio Television Commission. I might say that the counterpart of the CRTC in the United States, the FCC, recently asked the United States congress to enact legislation to sharpen up the definition of obscenity so that that commission can put into place regulations which would govern the growing tendency on the part of United States broadcasters to use programs which exploit sex and violence. I believe that there should have been some action on the part of the CRTC in Canada.

There should be regulations, and the least the government should do is immediately embark on a program of public hearings which would have, as the end result, the promulgation of guidelines which would govern the use of sex, violence and offensive language on television, and which would have the effect of satisfying what I believe to be the very great concern of a majority of people in this country.

● (2220)

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Madam Speaker, the government does not intend to legislate on the matter of forbidding televised violence, nor to impose in the near future a code of ethics in that respect. As for obscenity, it is already dealt with in our legislation. However, considering the importance of that matter and the interest it has aroused, the CBC has informed me that they are looking into the possibility of having a special public hearing, as the hon. member just suggested on that matter of televised violence.

I also got the following representations from the CBC: the matter of a relationship between televised violence and violence as it has been witnessed in human behaviour has been discussed and studied for at least 15 years. The most significant contribution in that respect was made by the United States Surgeon-General's Scientific Advisory Committee on Television and Social Behaviour. That five volume report encompasses more than 50 different studies. Broadly speaking, its conclusions are that televised violence may cause some children to have anti-social behaviour under particular circumstances. The report states for instance that the effects of repeated televised violence may appear on a long term basis or indirectly. However, there is a tendency among a minor group of people to argue that televised violence would attenuate instead of stimulate aggressive impulses, but here again depending on environment and conditions.

No such extensive survey has been undertaken in Canada. However, it has been shown that Canadian television programs display a lesser amount of violence than American made programs. The Canadian Radio-Television Commission recently carried out a detailed analysis of the contents of 53 television programs broadcasted by Canadian television stations in a major Canadian city to determine the proportion of violence in Canadian made programs as compared with American programs. All the programs analysed were aired at times when the greatest number of children are known to be listening. The analysis dealt with 28 entertainment programs made in Canada and 25 in the United States. According to the standards of reference, the analysis showed that out of a total 103 scenes of violence, 95.1 per cent happened in the 25 American made programs, and 4.9 per cent only in the Canadian made programs.

The matter of violence on television is therefore linked with a problem which faces all countries of our western hemisphere since all of them, at least occasionally, buy American series.

Consequently, two conditions will probably become indispensable, over the long term, to remedy the proliferation of scenes of violence, namely: a significant increase in the quantity and quality of Canadian production; and, a change in the influence of marketing strategies on production, the choice and scheduling of programs.

AGRICULTURE—REQUEST FOR INCREASED FUNDS FOR DEPARTMENT

Mr. Léonel Beaudoin (Richmond): Madam Speaker, quite recently, I have on a few occasions drawn the attention of the House to the serious problems which are creating upheavals on every hand in our Canadian agriculture. Since the situation seems to be deteriorating almost constantly, I return to the charge once again today with criticism that is meant to be constructive.

Energetic steps must be taken immediately in agriculture. The situation has now really become alarming for our farmers. In 1974, we witnessed a swift increase, without parallel, in the cost of production, namely an increase of 23 per cent. On the other hand, the increase in income amounted to only 17 per cent. To that, for farmers as well as others, a 12 per cent rate of inflation must be added. So this means that especially in Quebec, despite the few millions of dollars injected by the government of Quebec, agriculture stood in a very precarious situation at the end of the year.

On the one hand, in the budget speech of this year, there was no special provision to support agriculture, which is already depressed, as I clearly indicated at that time in the House. On the other hand, since the beginning of this year, the cost of inputs has been rising steadily.

Besides, the conference on Canadian agricultural outlook for 1975, held in Ottawa last January, indicated that feeds, fertilizers, chemicals, energy, fuel, binder twine, agricultural machinery, electricity and some other items will contribute to raise production costs this year. Furthermore, the economist of Agriculture Canada, Mr. C. R. Phillips, has emphasized that we have every reason to believe that inflation will play the same part in 1975 as it did last year.

This means that the government must act as soon as possible, if we want to avoid an irreparable disaster in agriculture. According to a Department of Agriculture press release on the outlook for 1975, the gross agricultural income will increase by 4 p. 100 in 1975, but the net agricultural income could fall by 12 per cent, mainly because of the increasing cost of production factors.

Madam Speaker, this only means that unfortunately we shall soon be witnessing many bankruptcies and a massive exodus of farmers going to welfare offices, as the list of forthcoming auctions already shows, even in winter. If I must be accused because of my speech, I would rather be accused of saying the truth than hiding it. In any event, nobody could stop things from being what they are.

Besides, Madam Speaker, I would like to give two or three examples showing that agricultural producers will go belly up if the government does not act. First, I must say that most farmers in Quebec now have to pay $100 or more a hundredweight for the hay which they will need until the end of winter. It is a real disaster when you think that it used to cost $30 or $35 a hundredweight.

On the other hand, I have been informed recently that binder twine for hay is selling at $33 a two-roll package. After all, it is not gold twine to reach such an incredible price. Two years ago, the package was selling for about $6.

And what about feeds whose prices keep increasing steadily? In that respect I want to point out that the government must set profiteers straight as soon as possible, even if they are farmers in certain cases. The balance of the whole Canadian agriculture depends on it. I must point out here that I do not want to be the only defender of Quebec farmers but I must expose injustice where I see it. That is why the federal department of Agriculture must intervene vigourously. I quote from an editorial by François Dagenais in the newspaper *La Terre de Chez Nous* of January 22, 1975:

> Western Canada is certainly the primary cause of the increase of input costs. Feeds prices spiralled in 1974. Indeed, since the majority of grains come from the West, producers in those provinces experienced revenue increases of around 36 per cent in 1974. Quebec producers contributed in part to that balance which is more than positive.

Madam Speaker, how can the federal department of Agriculture allow such a disparity? I agree that farmers should make profits but not to the extent of some living at

the expense of the others, and with impunity. I am not afraid to say that in the area of agriculture, we are close to an emergency. If we refuse to admit it today, the events in coming months will undoubtedly bring it home to us.

That is why the government must act as soon as possible and require the co-operation of our western grain producers so that grain prices will be acceptable to eastern producers. We can only support our agriculture if everybody co-operates.

There are other solutions on the very short term. I point them out to the minister because I want my criticism to be positive. If, for example, the Department of Transport must greatly reduce freight rates to move grain from the West to the East, let it do so. Emergency measures are needed to deal with an emergency.

Furthermore, Madam Speaker, the government must really expose some large businesses who run monopolies, build up inventories to boast prices, and take undue advantage of the difficult situation in which our agriculture finds itself. That is one of the major factors of the stagnation now facing agriculture. Those large businesses must be put in their place, and quickly.

Furthermore, a bank of farm products should be created as soon as possible and I congratulate the minister who said he intends to do so. It was pointed out in the *Globe and Mail* of October 11, 1974. In fact, I would like to ask the minister what has since been done? We need that bank as soon as possible to ensure our national security.

The Minister of Agriculture stated that he was in favour of establishing a world system of food security through large-scale stocking. It is true to maintain that we have no right to consider Canadian agriculture apart while severe starvation is experienced in extensive areas throughout the world.

For all those reasons, we should no longer hear the following in Canada: "Do not produce too much; avoid production or avoid overproduction." Those words were said again recently and it immediately reminded me that the same Liberal government repeated them in 1971 to western grain producers and even paid to prevent them from producing. We see today the fine results: they are disastrous. Madam Speaker, our country has no reserve and eastern farmers must pay excessive prices for grain.

The situation is urgent. Moreover, the country cannot be administered as it was 15 or 20 years ago, when a politician or a minister could allow himself to consider a problem for months and years knowing that one way or another, the problem would solve itself with time. We can no longer say: Time will mend things. On the contrary, it has become obvious that time worsens the situation and heightens the problems. We cannot delay, we must take immediately drastic measures to preserve our agriculture.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it will be difficult for me to answer in two and a half minutes all the things the hon. member raised in his speech this evening. Let me say, first, that in less than two years the government has granted industrial milk producers increases of approximately 40 per cent.

Some of the things the hon. member said this evening have little to do with the question he raised in the House the other day, and I feel I can add little to what I said when the hon. member opposite raised his question the other day. I must advise him that I am not completely certain what he means when he refers to the need for special subsidies.

I remind all hon. members that there are several important bills before this House which are designed to enable farmers to receive a more stable return for the products they produce. These bills are needed and must pass if we are to see continued expansion in Canadian agriculture. One that I hope receives quick passage tomorrow deals with farm trade. Maybe members could even pass the farm stabilization bill so that we can get on with the business of running agriculture in Canada.

● (2230)

I remind the hon. member that general stabilization is provided under the terms of the Agricultural Stabilization Act. This act provides for a revolving fund of $250 million and can be drawn upon as required to stabilize producers' returns. The revolving fund is then recouped through supplementary estimates.

I note the hon. member's concern about the supply and price of hay. I can advise my colleague opposite that my officials have checked on the situation and are following it closely. Our reports indicate that sufficient supplies are generally available. It does appear that to coax out supplies farmers must pay prices which are above those they are normally accustomed to paying.

I cannot agree that the government should take action at this time to import hay from the United States since there is nothing to stop producers from arranging on their own to buy hay in the United States and transport it to Canada, duty free. Our information is, however, that prices in the United States are the same as or higher than those prevailing in eastern Canada.

PUBLIC SERVICE—STRIKE OF GENERAL LABOUR AND TRADES GROUPS—SUGGESTED ACTION TO ENSURE MAIL DELIVERY

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, the disruption of mail service in the Toronto area as well as other parts of Canada is threatening the very existence of the small businessman, an existence which has become a vital part of our overall economy as it is the small businesses that form the backbone of our economic and industrial way of life.

It is the small businessman who has to depend on regular mail delivery to keep his establishment operating on a day to day basis. Without regular mail delivery, there are literally thousands of businesses in the Toronto area alone which are finding it impossible to meet their payrolls, with many of them already laying off employees due to the curtailment of orders being received. They cannot, without regular mail delivery, keep their flow of cash moving and be expected to adhere to their budget requirements.

On top of this, and the sagging economic climate Canadians in general are being asked by the government to accept as a way of life, the Minister of Revenue (Mr. Basford) has the gall to instruct federal sales tax offices to demand of business establishments the delivery of their

federal sales taxes at their own expense to the government by any means other than the post office mails.

As if this were not enough, and with a general post office strike a likely possibility in the near future, the national representatives of the Canadian Union of Postal Workers, who were to attend the Joint Senate-House Committee on Employer-Employee Relations in the Public Service of Canada this afternoon, did not attend because, as stated in a brief presented to the committee in their stead, and I quote from that brief:

> The responsibility for this decision can be attributed to the recent actions of the Treasury Board of Canada which is trying to use the postal workers to break the strike of the general labour and trades component of the Public Service Alliance of Canada.

Earlier this week the post office, although shut down in Toronto, delivered over one million cheques to old age pensioners and other welfare recipients in that city because many of these individuals could not get by without them. That was indeed a very heart-warming gesture. However, let me assure you that there are many, many small and medium size businesses which cannot get by without regular mail delivery either.

With a continuation of this strike, and others that will inevitably follow unless some immediate alternate course is taken by the government, we will only add to the complete destruction of the economy in this country. It is plain to see that the suggestions I made last week, as well as those made in the memorandum to cabinet by the Minister of Labour (Mr. Munro), relating to the fragmentation of union power should be seriously considered. Let me suggest, Mr. Speaker, that if this permissive government is hesitant in dealing with single public sectors, or is hesitant in asking the post office through the Public Service Alliance of Canada to deliver all business documents along the line welfare cheques were delivered, and surely we cannot be expected to wait for the Finkelman committee to conclude its deliberations, then I believe it is time that serious consideration be given to introducing legislation which would eliminate the right to strike in essential services, but which would instead, for the sake of the working man, establish an automatic annual cost of living increase, with an additional yearly adjustment in the form of a bonus.

It is clear that unions in this country have become more powerful than the federal government, which seems to be becoming weaker. This is obvious from the failure on the part of the government to prosecute individuals taking part in illegal strikes. Although it may be beneficial in the long run for the Prime Minister (Mr. Trudeau) to go prancing around Europe, it is hard to believe that in these troubled times at home, with growing militancy within the labour force in many sectors of the economy, the Prime Minister of Canada should turn his back on problems which should and must receive the total attention of the head of the government. The example set by the leader of the government will not help matters.

Continued work stoppages of this kind, which last year resulted in the loss of approximately 10 million work days, and are expected to give rise to an even worse situation in 1975, can no longer be tolerated unless Canadians, two-thirds of whom do not belong to unions, are prepared to live in conditions of economic disaster.

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Madam Speaker, the disruption of postal service in the Toronto area results from the current General Labour and Trades strike. Members of that union who maintain equipment and vehicles in the Post Office in Toronto are engaging in a lawful strike, and have set up picket lines at certain postal installations in Toronto and elsewhere.

Treasury Board has been informed that a number of mail service couriers who work for the Post Office Department have refused to cross the picket lines. This has resulted in internal transportation facilities not being available to the Post Office in Toronto. The ultimate effect is that mail cannot be delivered to or from the postal processing facilities, thus disruption and eventually causing the shut-down of the Post Office in Toronto.

Picket lines are not intended to deny people rightful access to buildings and installations. Employees who do not have the right to strike and who work in buildings picketed by striking GL and T employees have an obligation and a right to report for work and perform their assigned duties.

With respect to claims by employees that they have attempted to cross picket lines but have been unable to do so because of threats or intimidation, an employee should be considered on duty only where it is clear that an attempt was made to cross the picket line, and the employee concerned was either barred from entry or threatened with violence by a member of the picket.

The answer lies not in the solution proposed by the hon. member for High Park-Humber Valley (Mr. Jelinek) but in the return to work at the Toronto Post Office of all employees who do not have the lawful right to strike so that the postal service may be restored to the public.

Motion agreed to and the House adjourned at 10.42 p.m.

HOUSE OF COMMONS

Friday, February 28, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-20, an act to amend the Territorial Lands Act, to which the concurrence of this House is desired.

* * *

PRIVILEGE

MR. BROADBENT—STATEMENTS ATTRIBUTED TO MINISTER OF NATIONAL DEFENCE IN "MACLEAN'S" MAGAZINE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a question of privilege which was originally brought to the attention of the House yesterday by the hon. member for Northwest Territories (Mr. Firth). A minister of the Crown has made statements, or it has been claimed that he has made statements which are clearly racist and discriminatory in nature and which, if true, put this parliament and all its members under the cloud of racism.

I realize, Mr. Speaker, that in this House yesterday the minister in question denied that he said what was attributed to him. Subsequently, outside the House, however, the author of the article in question, who is herself an associate editor of *Maclean's* magazine, asserted that the minister not only made the statement attributed to him in her article, of which she has records, but made others even more damaging which were not included in the article. Mr. Speaker, if you agree there is a prima facie question of privilege, I would move:

That this matter be referred immediately to the Standing Committee on Privileges and Elections so that both the minister and the author of the article can appear to clarify this most serious question.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, on the question of privilege, I thought I had made it clear to the House yesterday that I personally regretted the words that were used in that article just as much as the member for Yukon regrets those words—

An hon. Member: The member for Northwest Territories.

● (1110)

Mr. Richardson: I meant the Northwest Territories. But the words are not mine. The words did not express my sentiments. They did not express my feelings about the native people of this country. I said that in the House, I said it last night on television and I repeat that today. I can produce other statements I have made in which I said it is my hope that we can achieve a better life for the original Canadians, the native people of this country, within our society. Those statements reflect my true sentiments. That article, to which reference has been made, does not reflect my sentiments and I repudiate the statement as being mine.

Mr. Speaker: The hon. member for Oshawa-Whitby (Mr. Broadbent) has put forward what he suggests is a question of privilege. I cannot emphasize too strongly, of course, the seriousness of the matter with which the hon. member is dealing. However, the type of statement complained of does not, in my opinion, come under any of the definitions of privilege as I understand them. I do not want to discuss what other approaches may be taken if the hon. member feels that the matter should be dealt with further. But it does not, in my opinion, come within the confines of any definition of privilege, as I understand that. In any case, for the second time the Minister of National Defence (Mr. Richardson) has denied categorically responsibility for the statement and, therefore, there does not seem to be anything further that the Chair can do about the question of privilege at this time.

* * *

INDIAN AFFAIRS

REFERENCE TO ALLEGED RACIAL SLUR BY MINISTER OF NATIONAL DEFENCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. I was tempted to speak on the question of privilege just raised but felt that the matter might better be covered by a motion moved under Standing Order 43. This matter has to do with the serious allegations which have been directed to the Minister of National Defence (Mr. Richardson) with respect to statements he is alleged to have made about the native people. I find the alleged statements particularly disturbing, as I know that many native people, not only in my constituency but from all over Canada, have distinguished themselves in our armed forces in the defence of our country. I would therefore move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the minister provide proof clearly indicating that he did not make these statements or, alternatively, make a public apology to the native people of Canada.

Mr. Speaker: Order, please. There is provision for motions of this sort to be moved pursuant to Standing Order 43. The motion requires unanimous consent of the House. I will, therefore, ask if there is unanimous consent for this motion to be debated at this time.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please.

* * *

GRAIN

TABLING OF INITIAL PRICES FOR WHEAT, BARLEY AND OATS

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I should like, pursuant to Standing Order 41(2), to table in both official languages proposed initial prices for wheat, barley and oats for the next crop year.

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUPS—POSSIBLE LENGTH OF STRIKE—WILLINGNESS OF MINISTER TO RE-OPEN NEGOTIATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question to the President of the Treasury Board about his position on strikes in the public service now under way among the general trades and labour group arises from the fact that a good many Canadians in business, as well as others, are being seriously hurt or inconvenienced by the continuation of the strike. The Minister indicated he did not propose to budge beyond the position taken by the majority of the conciliation board. How long does the minister intend to maintain his position and let this strike continue? Can the minister indicate how long the strike will continue so that those people being inconvenienced or hurt will try to make some alternative arrangements?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I do not know how long the strike will last. I am happy to say that this morning the people at Terminal A in Toronto returned to work. There is some inconvenience when there is a strike, but the right to strike has been given to these employees by the parliament of Canada. I respect that right. At the same time, I think we have come a long way. I hope the union will recognize that the conciliation report was made by an outsider who, in fact, tried to offer them a fair deal. That is my position. I hope that talks will be resumed in order to try to find an acceptable solution. However, if they do not want to return to work, I do not intend to introduce legislation to that effect at this time. I respect the right that all members of parliament have given to those employees.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister has made it clear he is not prepared to bargain with regard to his position. I am not necessarily criticizing the minister for that. However, the minister having taken that position, in his judgment what is the point of continuing? Is this simply a war of attrition between the government and the unions with the people of Canada, in the middle, getting hurt? How long is this war of attrition going to continue? With the minister taking the firm position he has, what meaning does the right to strike have in these circumstances?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I do not know how long the strike will last. The employees are entitled to strike. I maintain and repeat that the Treasury Board and the government have not been adamant, on the contrary. We had made some proposals which were quite lower than those suggested by the mediator and we have been willing to meet the mediator's requirements. We are ready to negotiate on the basis of that report. I hope the union will recognize that we have done our share and that they should do theirs and consider the report as a satisfactory basis for agreement. My conciliators are ready to meet the union at any time.

[*English*]

Mr. Stanfield: Do I take it that the minister is in fact prepared to negotiate and that his position is not the apparently rigid position that he announced? Is he in fact prepared to negotiate? What steps are being taken to have negotiations reopened so that some progress can be made and the strike does not appear to be meaningless with the minister refusing to give any ground, if that is his position?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I said that my conciliators are willing to meet with the union any time. They invited the union to meet with them these last few days, but the union did not think fit to do so. I hope consultations will soon resume, because we are prepared to settle the dispute. Far from having been rigid, on the contrary we have been very flexible, but we believe the conciliation report represents a good basis for settlement. I hope the union will consider this position as being a considerable improvement over what the government offered at the beginning of the negotiations.

* * *

● (1120)

[*English*]

POST OFFICE

GOVERNMENT ACTION TO SETTLE STRIKE AND ELIMINATE THOSE EMPLOYEES WHO USE VIOLENCE

Hon. W. G. Dinsdale (Brandon-Souris): My supplementary is for the Postmaster General. It relates to the situa-

tion in the Toronto terminal—we are pleased to hear the employees are back on the job there. Arising from reports that truckers have refused and are refusing to cross the picket lines in Toronto because of threats of tire slashing and other acts of violence from the ideological element which is a small minority in the Tronto Post Office, and in view of the expressed desire of the majority of the workers there to stay on the job, what steps are being taken to weed out these bad apples?

Hon. Bryce Mackasey (Postmaster General): Perhaps I could expand my answer in order to be more precise. The couriers or truck drivers were notified by me as Postmaster General that if they respected picket lines which were informational picket lines on philosophical grounds, that was their right, but the Canadian public was not to suffer because of their philosophy and if they refused to cross informational picket lines they would be suspended and replaced by drivers who did not necessarily share that basic philosophy.

As to the second question relating to violence on trucks to which the hon. gentleman quite properly referred, the violence occurred during the evening when the trucks were in the care of a private protection agency which has since been charged with negligence. There is no evidence that the damage to the trucks was caused by radical elements in the union; it could have been caused by radical groups outside the union. The point is that the truckers cannot have it both ways—respect picket lines on philosophical grounds and expect the Canadian public to suffer financial losses as a result of their conception of what is right and wrong.

Mr. Dinsdale: In view of the concern expressed by the president of the postal union which resulted in his absence from the Finkelman committee yesterday, is there any possibility of a rapprochement with the union to deal with the tendency toward violence in the Toronto strike situation?

Mr. Mackasey: There is another and not unrelated issue and that is the negotiations within the Post Office itself. When I assumed the role of Postmaster General eight months ago my aim was to increase the efficiency of the Post Office by improving the morale of the workers, by introducing some form of industrial democracy at plant level and by reducing the unintentional interference of other departments of government. I had presumed I would get the co-operation of the union leaders who should be seeking the same thing. When the president of the union on one hand cancels an appearance yesterday before a committee of the House in order to go to Toronto on the ground that he has to prevent violence and at the same time issues a circular or bulletin inciting violence to begin, one wonder whether the leaders are working in the best interest of the members.

Some hon. Members: Hear, hear!

Mr. Mackasey: When you add to this the fact that the union negotiating team has placed certain prerequisites before me, through our joint negotiating team—the Treasury Board and the Post Office—before they will sit down and bargain on behalf of the workers, conditions which are impossible such as that we become a Crown corporation, that we give them retroactive money, that we prevent all automation during negotiations, conditions which are impossible, it is obvious they have no intention of bargaining in good faith and the people who will ultimately lose by this are the 98 per cent of the postal workers who are basically decent, honest Canadians who simply want to get on with the job.

Some hon. Members: Hear, hear!

* * *

INDIAN AFFAIRS

ALLEGED RACIAL SLUR ATTRIBUTED TO MINISTER OF NATIONAL DEFENCE IN "MACLEAN'S" MAGAZINE—SUGGESTED REFERENCE TO STANDING COMMITTEE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of National Defence. Yesterday in the House, in reply to the question of privilege raised by the hon. member for Northwest Territories concerning the quotation that was attributed to him in *Maclean's* magazine, the minister said as reported at page 3628 of *Hansard*:

> There was no quotation by me in those terms.

I ask the minister—and I choose my words with care—is he saying, when he said that, that he did not say the following sentences even in a context which was somewhat different but which were run together in paragraph form, with reference to Canada's native people:

> I mean, what did they even do for Canada? Did they discover gas? Did they discover oil? They didn't even invent the wheel. Why, when we came here, they were still dragging things around on two sticks.

Did the minister or did he not utter any of those sentences?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I did not utter those words in any way resembling the sentiment that is expressed in those words. I talked again last night with the author of the article and she admitted to me that we had not discussed native people, or my views of native people, in any way during our interview. She said that while we were talking of the Mackenzie valley pipeline I had made some remarks about the fact that American companies had helped develop Canadian oil, and that some of us in Canada had walked over the oil for a long time. But that was not directed toward native people. I repeat that the whole quotation is completely out of context. We were not talking about native people, according to the author, at the time that she made this report. What I am trying to tell the House is that those are not my feelings or my sentiments in any way. In fact quite the opposite.

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

Some hon. Members: Oh, oh!

Mr. Broadbent: Just listen to the question, because this is a serious issue.

An hon. Member: Make a charge then.

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby.

Mr. Broadbent: Mr. Speaker, if I understood the minister correctly, he said he did not utter these words in the context of the discussion or with reference to what he considered to be the main purpose of the interview. He is not denying that he uttered these sentences in some form during the discussion. I put it to the minister that on national television last night the author in question said that she has a record in some form, either notes or in some other way, in quotation marks, prepared in the course of an interview with the minister, of words along these lines, and she said that other words which were not used are even more damaging. Is the minister saying that this may have come up in the context of an interview on a broader subject, and that he made passing reference of some sort to this issue and uttered words of this kind?

Mr. Richardson: Not passing reference, Mr. Speaker, in the sense that that quotation would lead one to believe that it was my view. I was not talking about native people. I did not use the specific words—whatever they are—about the two sticks.

Mr. Broadbent: What about the others?

● (1130)

Mr. Richardson: I just do not think in those terms and I have never used that expression.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, in view of the fact that this is not just an ordinary reporter, but an associate editor of the magazine who has a serious claim—

An hon. Member: Sit down.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby is asking a question on a very important point. However, it is also a point that has some limitations and restrictions regarding the use of the question period. One thing is absolutely certain; I cannot permit the hon. member to get into a debate at this time. If he has a final supplementary question he should put it.

Mr. Broadbent: Mr. Speaker, I will put my question to the government House leader, the Acting Prime Minister. I would ask him most seriously, in view of fairness to the minister, and I say that with great care—

Some hon. Members: Oh, oh!

Mr. Broadbent: In fairness to the minister and to the native people of Canada I should like to ask whether the government House leader will refer this matter to a standing committee of the House before which the minister can appear to explain his comments or make clear that nothing of this kind was said, and before which the reporter who wrote this article can be called for testimony in order that this whole issue can receive the serious clarification it deserves?

[Mr. Broadbent.]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I know it is familiar to you, as it is to all of us, that in this House we accept the word of other members.

Some hon. Members: Hear, hear!

Mr. Sharp: Otherwise, Mr. Speaker, we would not be able to conduct our business as the people of this country would wish. If, however, the hon. gentleman wishes to lay charges to say that the Minister of National Defence uttered those words, and wants to take the responsibility for that statement, then let him lay his charges.

Some hon. Members: Hear, hear!

An hon. Member: Put up or shut up.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. The minister has raised a very important question, stating that if one member of the House openly questions the honesty of another there is the well-known tradition that he take certain serious risks if he is willing to make a charge. I want to make clear that I am not—

An hon. Member: Make the charge then.

Some hon. Members: Hear, hear!

Mr. Broadbent: I am not making that charge.

Some hon. Members: Oh, oh!

An hon. Member: Sit down then.

Mr. Broadbent: I am saying that if one reads *Hansard* and looks at the answer the minister has provided he will see that he said with care, I take it, that he did not utter those words in a certain context.

An hon. Member: That's right.

Mr. Broadbent: The conclusion I draw from that, Mr. Speaker, is that it is at least possible that he uttered those words of a racial and discriminatory nature that have been attributed to him in a different context, and I think in all fairness both to the minister and to the native people of Canada the issue demands clarification.

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, on the point of order, I think it would be fair to all hon. members if the leader of the New Democratic Party would now say whether the Minister of National Defence uttered those words, otherwise he is simply spreading stories and promoting gossip. I challenge him to be fair to the Minister of National Defence.

Some hon. Members: Hear, hear!

* * *

PUBLISHING

REQUEST FOR RECONSIDERATION OF TAX PROVISIONS RELATING TO "TIME" AND "READER'S DIGEST"

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, in view of the obvious muckraking style of *Maclean's*, as

carried into this House, I would ask the Secretary of State whether he will reconsider his position in regard to *Reader's Digest*?

Some hon. Members: Oh, oh!

Mrs. Holt: I would point out that I ask this in regard to—

Mr. Speaker: Order, please. The hon. member has put her question quite legitimately, but I do not think she is entitled to make a comment on it, having put the question.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I should like to make it absolutely clear that there is no connection whatsoever between the legislation I am proposing in respect of Section 19 and the sort of article that has been written about the Minister of National Defence in that magazine. The sole intention of the legislation I am proposing and putting forward to this House is to provide general support to magazines in Canada.

An hon. Member: Like *Maclean's*.

Mr. Faulkner: I would seriously hope that the intention and the initiative on the government's part will not be compromised by that rather distasteful article about the Minister of National Defence.

* * *

PUBLIC SERVICE

STOPPAGE OF GRAIN SHIPMENTS BY STRIKE OF GENERAL LABOUR AND TRADES GROUP—EFFECT ON NATIONAL INTEREST—GOVERNMENT ACTION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in view of the fact that in May of last year the government invoked the law to forbid grain handlers from going on strike because of the effect on the national interest, and in view of the fact that the government introduced legislation in October to end the grain handlers' strike, again because of its effect on the national interest, will the government House leader advise this House whether in the view of the government the national interest is being affected by the present stoppage of grain shipments due to the present legal strike?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, it is undoubtedly true that the strike is interfering with the movement of grain, but I support the position of my colleague, the President of the Treasury Board, that this is a time for negotiation and not for the kind of action proposed by the hon. gentleman.

Mr. Fraser: Mr. Speaker, in view of the fact that since August 1, some 70 days have been lost because of work stoppages, and in view of the answers given to the hon. member for Marquette by the Minister of Justice on Wednesday, would the government House leader advise the House whether the number of plans being looked at to move grain include legislation to get grain shipments moving again, and also advise what form this legislation might take?

Mr. Sharp: Mr. Speaker, I will have to take notice of this question in order to have the opportunity of discussing it with my colleague, the Minister of Justice.

* * *

HARBOURS

PAYMENT OF GRANTS IN LIEU OF TAXES BY HARBOUR COMMISSIONS TO MUNICIPALITIES—GOVERNMENT POSITION

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, in view of the statement of the chairman of the National Harbours Board to myself in committee, later confirmed by a letter, to the effect that the National Harbours Board does pay grants in lieu of taxes, and in order to clear up the situation and have some consistency under harbour policy, will the Minister of Transport direct the harbours commissions to pay grants in lieu of taxes to municipalities consistent with the policy of the National Harbours Board which does make such grants; for example, the municipality of Delta under the National Harbours Board does receive a grant in lieu of taxes, but the municipality of Surrey and other adjacent municipalities cannot collect these taxes under the harbours commission?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I have answered this question a few times in the House. As the hon. member knows, the status of harbours and ports everywhere in Canada is not the same. Some of them are owned by municipalities, and I do not see how we can ask the National Harbours Board to pay taxes or allow grants for a port that is owned by a municipality. Other ports are owned by private interests, while some are under the National Harbours Board.

As far as the National Harbours Board is concerned, we do have a policy of paying grants in lieu of taxes. For the others I think we will have to await the review which the hon. Leader of the Opposition is expecting very soon. I think that we can have perhaps a more uniform policy so that those questions will no longer be put.

* * *

● (1140)

ENERGY

PETROLEUM PRODUCTS—NOTIFICATION TO GOVERNMENT PRIOR TO PRICE INCREASE BY IMPERIAL OIL—COMMENCEMENT OF MONITORING

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Could the minister tell us whether Imperial Oil consulted with his department before it announced the increase of 2.2 cents per gallon on a variety of products to come into effect on February 26th?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am advised that Imperial Oil gave notification of its intention to increase prices following, of course, on the information that they had previously made available with regard to their costs over the previous period.

Mr. Gillies: Can the minister inform the House whether the monitoring system was in effect before this increase took place?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker.

GASOLINE—REQUEST FOR INVESTIGATION OF PRICE DIFFERENTIAL BETWEEN SERVICE STATIONS

Mr. W. C. Scott (Victoria-Haliburton): My supplementary is to the Minister of Energy, Mines and Resources. In view of the wide discrepancies in the price of gasoline which now varies as much as 14 cents per gallon between service stations for regular gas, will the minister look into this ridiculous situation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the government has never attempted to monitor gasoline prices at the retail level. It seems to me that, as the hon. member is aware and other hon. members will be, because of the current surplus of products, there is an extensive competition, at least in some communities, at the retail level. On the whole that kind of competition, I would think, would favour the consumer rather than work against him.

* * *

CANADIAN BROADCASTING CORPORATION

ALLEGED DELAY IN ESTABLISHING BROADCASTING STATION FOR OKANAGAN VALLEY UNTIL FRENCH TELEVISION STATION ESTABLISHED—GOVERNMENT POSITION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Secretary of State. I ask the minister if the proposed CBC broadcasting station for the Okanagan Valley in British Columbia is being held up because a suitable site is being sought for a French television station?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I would have to look into that. I will do so and report to the hon. member right away.

Mr. Whittaker: My supplementary is for the Acting Prime Minister. Is it government policy to continue holding up a CBC broadcasting station which would serve 150,000 people in order to put in a costly French television station to serve one per cent of the people?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I feel that in this country it is desirable that we should have national television coverage in all parts of the country to serve all language groups. That is the principle that I support.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): When did you change policy?

Mr. Sharp: Both of the official languages of Canada should be served by national television service.

INDUSTRY

LUMBER—POSSIBLE DISCUSSIONS WITH BRITISH COLUMBIA OR TRADE DELEGATIONS TO OPEC COUNTRIES TO STIMULATE INDUSTRY

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I would like to preface my question by wishing a speedy recovery to the former prime minister of Canada, the Right Hon. John Diefenbaker.

Some hon. Members: Hear, hear!

An hon. Member: That will get you re-elected.

Mr. Anderson: I have a question for the Minister of Industry, Trade and Commerce. Because of the serious layoffs in the B.C. forest industry due to the weak American housing market, can the minister advise what discussions have taken place between his department and the department of economic development of the province of British Columbia on matters relating to the forest industry in B.C.? Have any trade delegations been sent to the OPEC countries to encourage exports of lumber to this very prosperous area?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there have been regular consultations with the B.C. government and with the Council of Forest Industries for the province of British Columbia. This week there was discussion with respect to progress on the five year overseas market development program and the benefits which have accrued from it. They have been substantial in opening up new markets for B.C. products.

As regards mission activity, on the last mission that I took to the Middle East two members of the Council of Forest Industries were present, and there have been other missions in other parts of the world, all of which are aimed at increasing the market for B.C. products.

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ENERGY

PETROLEUM PRODUCTS—ACCEPTABILITY OF PRICE INCREASE BY IMPERIAL OIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources, regarding the announcement by Imperial Oil that effective immediately they have introduced an increase of 2.2 cents per gallon for gasoline, home heating fuel and diesel. In view of the fact that I take it for granted that before removing the price ceiling the minister's department had estimated what increase would be justified for increased refining costs and increased marketing costs, I would like to ask the minister whether the 2.2 cents per gallon comes within the formula which his department has devised as being acceptable in light of the statement he made when he announced the removal of the ceiling.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker.

PETROLEUM PRODUCTS—REQUEST FOR BREAKDOWN OF PRICE INCREASE BY IMPERIAL OIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister, if this is acceptable, what part of the 2.2 cents per gallon increase is attributable to increased refining costs, and what part is attributable to increased marketing cost including, I assume, such things as the very extensive advertising campaign which the oil companies have been carrying on for some months?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am not aware that the figures are broken down on a percentage basis, but I can certainly inquire from the administration to see to what extent that has been broken down, and perhaps it can be discussed in the committee if the hon. member would like.

PETROLEUM PRODUCTS—REASON FOR TIMING OF REMOVAL OF PRICE CEILING

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that, as the minister said in answer to another question a few moments ago, there has been a gas price war going on in various parts of Canada, I would like to ask the minister why he chose to remove the ceiling at this particular time which raises the wholesale price by 2.2 cents, which may not reflect itself in the retail price, but which will have to be borne at the expense of the retailers of petroleum products in this country.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): It seems to me that when there is pressure on prices and competition, that is the best possible time to move from the situation of control on the basis of costs, or a flat control on the basis of costs, to one where we are willing to allow prices to vary from company to company. It is true that in some cases the independents will be faced with higher wholesale costs. In the case of other independents—and we have had some pressure from the independent part of the industry—there had been the request that the increases be put through.

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INDIAN AFFAIRS

REQUEST FOR EXTENSION OF COMMUNITY DEVELOPMENT PROGRAM IN SASKATCHEWAN—GOVERNMENT POSITION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. I wonder if the minister can hear me. I would like to ask him whether he has recently met with the representatives of the Federation of Saskatchewan Indians in regard to extending the provisions of the community development program and whether he has yet made a decision to extend it.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker. There are three other provinces whose agreements expire at the end of June, so I have taken the decision, and the message has gone out to the Federation of Saskatchewan Indians indicating that we will extend theirs from the end of March to the end of June prior to making a final decision.

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SPORTS

SIGNING OF UNDERAGE PLAYERS BY PROFESSIONAL TEAMS—REASON FOR FAILURE OF GOVERNMENT TO ACT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is to the Minister of National Health and Welfare. As we are aware of the government policy regarding the hiring of amateur hockey players under the age of 20 by professional teams, as enunciated by the minister in Vancouver a few weeks ago, could the minister advise this House whether he is in fact afraid to protect our minor sports leagues in this country from deterioration and perhaps eventual extinction by not taking any direct action regarding the signing of under age players by professional teams as he did to protect, in his opinion, the CFL? Is the minister afraid because such action—which is in fact government policy—is in fact inconsistent with section 32 of Bill C-2 of the Combines Investigation Act presently at committee stage, which would in fact allow all individuals to play for the team or league of their choice?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in reply to the first part of the question, I explained first of all the position of my department on the matter. Secondly, the parties concerned, that is, the Canadian Amateur Hockey Association and the two professional leagues, agree with this policy; it seems there is disagreement within one of those leagues but I feel it is up to the leagues themselves to exercise whatever control is necessary over their members. As for the second part of the hon. member's question, the answer is no.

● (1150)

[*English*]

Mr. Jelinek: A short supplementary, Mr. Speaker. In view of the minister's answers, and because of his past record in dealing with sports in general, could it be taken for granted that his interests lie more within the professional sports field than with amateur athletes and the grass roots physical fitness development of our youth in general, where it should be?

[*Translation*]

Mr. Lalonde: The answer is no, Mr. Speaker.

* * *

[*English*]

TRANSPORT

LOOTING OF CONTENTS OF WRECKED FREIGHT TRAIN—REASON FOR FAILURE TO SALVAGE—GOVERNMENT ACTION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question for the Minister of Transport is in regard to a matter of which we, as Canadians, I am sure are not very proud. In light of the present very

bad publicity regarding the recent train wreck of the CNR in Northern Ontario in which there were heavy losses from looting, will the minister or the CTC now lay down firm regulations for the security of private property exposed in any subsequent train wrecks?

Hon. Jean Marchand (Minister of Transport): I hope so, Mr. Speaker. I think I can promise that we will try to have some kind of independent inquiry that will bring out the facts in this case. I agree entirely with the hon. gentleman, and I hope this is not going to be repeated.

Mr. Alkenbrack: A supplementary. Why did the CNR not immediately salvage the contents of the wreck that were exposed?

An hon. Member: Because it was insured.

Mr. Marchand (Langelier): Mr. Speaker, I will get in touch with the CNR and they will tell me why.

* * *

ENERGY

SARNIA-MONTREAL PIPELINE—REQUEST FOR RECONSIDERATION OF DECISION TO CONSTRUCT

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the fact that federal government policy is resulting in a cutback in oil exploration in western Canada which will result in a shortfall in Canada's requirements in the foreseeable future, and in view of the fact that according to the minister the tariff on the Edmonton-Sarnia pipeline might be used to offset the operating deficit of the proposed Sarnia-Montreal pipeline, the cost of which the government is committed to underwrite and there may not be sufficient oil for maximum use of the Sarnia-Montreal line, will the minister be taking another look at the advisability of constructing that line?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in the supplementary estimates to be tabled on Monday there will be an item for discussion by the standing committee on the question of the Sarnia-Montreal pipeline. We will be glad to go into the full details of that agreement and the implications of the shortfall at that time.

Mr. Towers: A supplementary question. If the government decides to proceed with the construction of the proposed pipeline, will it be constructed in such a manner that it will move oil in either direction?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker.

[Mr. Alkenbrack.]

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—EFFECT ON THE ECONOMY—REQUEST FOR STATEMENT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the President of the Treasury Board and it arises out of questions put to him by the Leader of the Opposition. The answers would seem to indicate that the minister is contemplating a long strike by the GLT. In view of the disruptions in the public service, and in view of the future negotiations being faced by the minister with respect to the public service of Canada, may I ask if he has formulated any opinion as to what the effects of the GLT strike will be on the economy in the long term? Also, will he be making a statement to the House so that the country will know in economic terms and in terms of wages, what it is going to be faced with as a result of this strike and others that will follow?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I do not think statements of that nature will add to the situation at all.

STRIKE OF GENERAL LABOUR AND TRADES GROUP—EFFECT OF ADOPTION OF COLA CLAUSE—WILLINGNESS OF MINISTER TO RE-OPEN NEGOTIATIONS

Mr. Walter Baker (Grenville-Carleton): I think the minister is misjudging the situation. With a view to settling the strike has he obtained from the Minister of Finance a definitive statement on the effect of a COLA clause in terms of this particular group of striking public servants in order to weigh the effects of that clause against the eventual disruptive effect on the Canadian economy? Has the minister done those things?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I have looked at all possibilities. I am willing to negotiate with the union and I do not think I have to make any other statements than that. I hope the strike will be settled as quickly as possible, but at the same time I say, and I have to repeat, that the federal government does not intend to be the pacesetter in the country. We want to be good employers, but we do not want to give away the store.

Mr. Baker (Grenville-Carleton): Mr. Speaker, with respect, the minister seems to be going around in circles. If he is willing to negotiate, as he says he is, he seems to be doing it through his conciliators and that is not working. Would the minister consider picking up the telephone and giving Claude Edwards a call in order to get these negotiations going again?

Mr. Chrétien: Mr. Speaker, I think there is a mechanism in place for negotiations. We have the unions talking with my negotiators and I hope the talks will resume soon. Of course, the strike is disruptive, but it is a right the employees received from the House of Commons many years ago and we intend to respect that right. It was their choice. I might tell the House that I am very pleased to resume talks and to try to find a settlement. We have shown a lot of flexibility so far, and I hope the union will do likewise.

NORTHERN AFFAIRS

DECISION OF DEPARTMENT OF ENVIRONMENT NOT TO INTERVENE IN BERGER COMMISSION HEARINGS—PRIOR CONSULTATION WITH MINISTER

Mr. Wally Firth (Northwest Territories): Mr. Speaker, in the absence of the Minister of the Environment and her parliamentary secretary may I put my question to the Minister of Indian Affairs and Northern Development. In view of the fact that the Minister of the Environment has decided apparently at the last moment against intervening in the Berger Commission hearings in Yellowknife on the Mackenzie Valley pipeline, can the minister indicate whether this decision was preceded by discussions with the Department of Indian Affairs and Northern development and, if so, what was the nature of those discussions?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, there were discussions with me rather than with the department. The understanding was that professional staff would be made available to participate in the hearings and that they would make all their environmental studies available. It was felt that this would be the proper role.

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TRANSPORT

INVESTIGATION INTO DREDGING OPERATIONS AT HAMILTON AND QUEBEC—REQUEST FOR EXTENSION TO OTHER PARTS OF COUNTRY

Mr. James A. McGrath (St. John's East): Mr. Speaker, a question for the Minister of Transport. In reply to a question yesterday, the minister indicated that he had ordered an investigation into the irregularities at Hamilton and as well had ordered an investigation into dredging in Quebec. That appears to be inconsistent with what the minister said outside the House. I should like to know if the minister did, in fact, order an investigation into dredging operations in the province of Quebec and in keeping with his responsibilities, has he ordered an investigation into dredging operations in other parts of the country?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I mentioned in the House or outside the House—I think I said exactly the same thing in both cases. In January, 1973, I ordered an inquiry following a report by the RCMP into Hamilton Harbour Commission activities. Later, while the inquiry was taking place, the police thought that the same thing might be found in the deal that took place on Îles d'Orléans and Ste. Pétronille. They asked to extend the inquiry. We then asked the RCMP to extend the inquiry to those places, I think between November 12 and November 18, 1974.

Mr. McGrath: A supplementary question. May I ask the minister if he is ordering an inquiry into dredging operations all across the country instead of waiting for the RCMP to request such an inquiry as happened in the Quebec situation. I might say this is completely at odds with the reply the minister gave yesterday.

Mr. Marchand (Langelier): Mr. Speaker, I do not think there is any contradiction. I do not believe that any person who has any kind of objectivity will believe there is a contradiction. I said there was an inquiry. I ordered the inquiry not only in Hamilton but in Quebec as well. I do not know if the gentleman is serious, however, when he asks if I am going to order an inquiry everywhere there is dredging in Canada.

● (1200)

Mr. McGrath: A supplementary question, Mr. Speaker. As the federal government spends millions of dollars every year on dredging contracts all across the country could the minister, in order to set the public mind at ease, establish such an inquiry, to determine that this practice is not widespread across the country in cases where the federal government is involved in dredging.

Mr. Marchand (Langelier): Mr. Speaker, there is in this country a body known as the RCMP which makes inquiries all the time in various fields. If there is any kind of report which shows that there has been wrongdoing somewhere, I am going to order an inquiry.

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ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR NAMES OF PERSONS CHARGED AND NATURE OF CHARGES USED AS BASIS TO OBTAIN WARRANT TO SEARCH HAMILTON OFFICE OF MINISTER OF LABOUR

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in view of the answers of the Minister of Transport, may I direct a serious question to the Solicitor General which is related to problems concerning the Hamilton Harbour Commission. As the RCMP raided the Minister of Labour's office in Hamilton during the last election campaign and seized certain documents from that office, can the Solicitor General say what are the names of the persons charged with any offence or offences and what was the charge that enabled RCMP officers to take that unusual course; and it was unusual.

Hon. Warren Allmand (Solicitor General): Mr. Speaker—

Mr. Speaker: Order, please. The first part of the hon. member's question seeks information which ought to be sought some other way. However, the Solicitor General apparently is prepared to answer.

Mr. Woolliams: Mr. Speaker, this is a very serious matter.

Mr. Allmand: Mr. Speaker, I am told that the procedure adopted was not unusual. There was investigation into irregularities concerning the Hamilton Harbour Commission and the RCMP were pursuing their investigation. They were seeing witnesses and seizing documents. They felt that the Minister of Labour might have some documents which would be useful to the investigation. That tied in with other information they had. They obtained a search warrant to obtain those documents, and that is what they did.

As I said in the House the other night, charges have been laid against five persons, three of whom have already been found guilty, which shows that the investigation has been successful up to this point. Two others are to go on trial shortly, and the inquiry is still continuing.

Mr. Woolliams: A supplementary question, Mr. Speaker. I do not want to know the nature of the case, or the evidence. I am asking a serious question. Under the Criminal Code, before you can issue a search warrant, particularly if it is to be used against a distinguished member of the House of Commons during an election campaign, a charge has to be laid and an affidavit or an information sworn. The necessary forms must be completed. I am asking, against whom were the charges laid and what was the nature of the charges that enabled the RCMP to obtain that warrant?

Mr. Allmand: Mr. Speaker, the hon. member is asking for specific information. I will try to get it and give it to him afterwards.

Mr. Woolliams: A further supplementary question, Mr. Speaker. I am asking the Solicitor General to measure up to his responsibilities, to stop acting in a cavalier fashion, to examine the facts and to let us have the information by Monday, so that the Minister of Labour may return to this House and deal with strikes. At present, there is almost economic anarchy in Canada.

Mr. Speaker: Order, please. In all fairness, the hon. member for Calgary North is making a representation and not asking a specific supplementary question.

Mr. Woolliams: Mr. Speaker, may I ask a final supplementary question. Is the Solicitor General prepared to examine those documents and give us the information?

Mr. Allmand: Yes, Mr. Speaker. I will do that, although I have some doubts about the correctness of the statement the hon. member made about the law.

* * *

TRANSPORT

POSSIBLE PAYMENTS TO CERTAIN MONTREAL COMPANIES FOR DREDGING ST. LAWRENCE RIVER SUBSEQUENT TO ORDER WITHHOLDING PAYMENT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Minister of Transport arising from the answers of yesterday and today. He said that on the advice of the Minister of Justice certain payments were held up. I ask the minister if, subsequent to the date when he ordered the investigation of these companies, moneys were paid to the company in respect of which payment has now been held up?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, what I said yesterday is that for the Quebec dredging, and I think this concerns only what we call the line north of Ste. Petronille, at the end of the island, the government owed, I think, $1.3 million or $1.4 million. I regret that I do not have the exact figure. It was thought, rightly or wrongly, in Hamilton, that the same kind of deal might have taken place in Ste. Petronille and they decided to withhold the money. That is all.

Mr. Baldwin: A supplementary question, Mr. Speaker. If the minister cannot give me the information I seek today, perhaps he can take the question as notice and provide the information later. Were moneys paid to these companies subsequent to when an investigation was ordered?

Mr. Marchand (Langelier): Mr. Speaker, they were not paid after the time the investigation was started in Quebec.

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FISHERIES

CLOSURE OF LA HAVE, BROWN'S AND GEORGES BANKS—NUMBER OF SHIPS PATROLLING AREA TO ENSURE OTHER NATIONS NOT FISHING

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, yesterday I undertook to give the hon. member for South Shore additional information on the closed ICNAF area, Brown's and La Have Bank. Georges Bank, as the hon. member knows, has been open to fishing during February. This bank closes for three months, commencing tomorrow, to protect haddock stocks.

As for violations in the closed area, I can advise that we have escorted three vessels, two Spanish and one Russian, out of the closed area in the last two weeks and filed a citation of this closed area to the flag state responsible. Reports on fishing activity in this closed area are received from our Maritime regional office by my office on a daily basis.

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INDUSTRY

SHIPBUILDING—TRANSFER OF SUBSIDY PROGRAM TO FISHERIES DEPARTMENT—DATE OF ANNOUNCEMENT OF OVER-ALL POLICY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I thank the Minister of State responsible for Fisheries for his information. May I direct a supplementary question which is related to his answer to the Minister of Industry, Trade and Commerce. As the cabinet decided yesterday to transfer responsibility for the construction of 75-foot and longer ships from his department to the Department of Fisheries, does the minister intend to inform this House of any comprehensive program covering the government's over-all shipbuilding policy? If so, when can we expect this type of announcement?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think, very likely, it will be made by next Wednesday.

LABOUR CONDITIONS

ALLEGATIONS AGAINST SEAFARERS' INTERNATIONAL UNION—DATE OF DECISION ON CONDUCTING INDEPENDENT INQUIRY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Justice. Has the government decided to conduct an inquiry into the operations of the SIU, into violence on the waterfront, and into related matters. I understand that the minister has considered this question for many months. I am asking the minister this question as I find it difficult to understand how a minister pursuing this matter conscientiously would not have come to a decision by this time.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Leader of the Opposition asks if any kind of inquiry is going on or whether a decision has been reached with regard to any kind of inquiry. The point is that an inquiry, in the sense of an investigation, is going on, but there has been no decision about a specific inquiry under the Inquiries Act, which was mentioned at one time. There has been no decision on that so far.

Mr. Stanfield: A supplementary question, Mr. Speaker. I have always regarded the minister as a stubborn but straightforward man. Can he explain why it is taking him so long to decide whether there is to be an independent inquiry? I am not a suspicious man, but I find it difficult to accept this kind of delay.

Mr. Lang: Mr. Speaker, I will try to help the Leader of the Opposition by making the point that a formal inquiry is not the normal way in which we proceed in matters which may be the subject of the criminal process. Instead, investigations leading to charges constitute the normal way. If he would like another adjective to associate with what we are trying to do, the word is thorough. We want to be thorough, before reaching any conclusions, just as we ought to be thorough before laying any criminal charge. I think the Leader of the Opposition knows that it is important not to jump to conclusions without full and adequate examination of the issues.

Mr. Speaker: Orders of the day.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order concerning a number of responses given today to a question asked by the hon. member for Peace River about dates, payments to particular dredging contractors, and contracts. It also relates to a series of questions by the hon. member for Central Nova which appear at pages 3621 and 3622 of *Hansard*. They relate to certain correspondence. In order to refresh the minister's memory, I quote from page 3622:

● (1210)

—I am the one who, in January 1973, two years ago, ordered the RCMP to inquire into alleged Hamilton irregularities. The same is true for the Quebec part of the dredging. I can produce the letters at any time.

An unidentified member then asked:

Will you table the letters?

The minister replied:

Yes, I can do that. I have them here. I will have copies made. They are very regular letters. We thought there was some irregularity.

Later in the question period, as I recall it, there was an indication that the Chair had interpreted that as an undertaking given by the minister that he would in fact table the letters. In view of what was said yesterday, and in view of the question put today by the hon. member for Peace River, I now ask the minister to fulfill his undertaking and table those letters in the House.

Mr. Marchand (Langelier): On the same subject, Mr. Speaker, what the hon. member says is true. However, I had not read all the file yesterday.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): I tell you this in all honesty. If you want me to tell you a lie, I can tell you a lie. The problem is as follows and I hope the hon. member will accept the explanation. I have to consult with the Department of Justice and the Department of the Solicitor General because there are some names in these letters which may concern some individuals. As far as the letter is concerned, the date is there. I have it here. However, I want to be sure there are no legal implications for persons who might suffer if this letter were tabled.

Mr. Mackasey: Mr. Speaker, I rise on a point of order. I would like the unanimous consent of the House to expand on a question that I answered on February 20 to the hon. member for High Park-Humber Valley which I think is ambivalent and misleading. I would like to expand on it at this time, if I may.

Mr. Speaker: The Postmaster General can only do so with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Mackasey: I believe the question should be answered as fully as possible. The hon. member asked about the effect of the strike by Mint employees on series three of the olympic coins. My answer leaves the impression there is no problem. I should make it clear that we have possession of all series III coins that had been completed at the time the strike began. It is a subtle but very important difference. The other question in his preamble was whether or not we had contingency plans for supplementing the unexpected losses being encountered in the overall coin problem. I would say that in my department we have certain contingency plans. They are unofficial in nature and not prepared at the request of the government. They are simply for my own benefit.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

NORTHWEST TERRITORIES REPRESENTATION ACT

MEASURE TO INCREASE REPRESENTATION AND ESTABLISH A COMMISSION TO READJUST ELECTORAL BOUNDARIES

Hon. Mitchell Sharp (President of the Privy Council) moved that Bill C-51, to increase the representation of the Northwest Territories in the House of Commons and to establish a commission to readjust the electoral boundaries of the Northwest Territories, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, the purpose of this bill is to provide an additional representative for the Northwest Territories in the House of Commons, commencing with the next parliament, and to establish a means of dividing the Northwest Territories into two electoral districts. More generally, the bill is intended to complete the process begun with the Representation Act, 1974, of according equitable representation in the House of Commons to all provinces and territories of Canada, and to complement Bill C-3 which provides for representation in the Senate for the Northwest Territories and the Yukon territory in giving a greater voice in parliament to the territories.

The present constituency of the Northwest Territories is unique in Canada today. Its outstanding feature is, of course, its immense size; its area covers over 1,300,000 square miles and is far greater than one member of parliament can physically be expected to visit and to be thoroughly acquainted with. Communications and transportation difficulties add to the problems faced by the member for the Northwest Territories despite considerable advances in recent years.

Members are well acquainted with recent economic and social developments in the north which have been rapidly expanding the role of the Northwest Territories in the life of the Canadian nation. These developments have been accompanied by accelerated population growth. The population of the Northwest Territories was approximately 16,000 when the original constituency of Mackenzie River first came into existence in 1952, and was recently estimated by Statistics Canada to be 38,000 in July, 1974. This is double the estimate for the Yukon territory. Finally, it is well to remember the special federal presence within the Northwest Territories and the special federal role in the development and government of the Northwest Territories.

Many proposals for the division of the Northwest Territories into two constituencies have been studied by the government, including those suggested by the hon. member for Northwest Territories (Mr. Firth) in private members' bills. Cultural and economic kinship among the people of the eastern and western regions, as well as geographical differences between east and west, seem to provide almost natural, though rough, constituency boundaries. The government has found, however, that the exact position of optimal constituency boundaries would be most difficult to establish without a comprehensive examination of all relevant factors. More importantly, it is our belief that it is of the utmost importance to give the prime role in the determination of the boundaries to residents of the territories themselves and to provide a mechanism through which interested residents may present their views.

For this reason, the bill provides that this task be entrusted, under amendments to the Electoral Boundaries Readjustment Act, to an independent commission chaired by a judge and with two members to be chosen by the Speaker of the House from among the residents of the Northwest Territories. The representation commissioner would be the fourth member. The duty of this commission would be to consult with the residents of the Northwest Territories and to make recommendations for the setting of constituency boundaries with reference to ease of transportation and communication, to community of interest within constituencies and to maintaining a rough balance in geographical size between them. These factors have been selected as being of particular pertinence to the Northwest Territories.

In conclusion, I think we may be confident that the passage of this bill will, in conjunction with the Representation Act, ensure a distribution of seats in this House which not only will be just and equitable but also will provide Canada with a representative House equipped to face the challenges of the future.

Some hon. Members: Hear, hear!

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I say at once that this party will give its support to the passage of this bill.

Some hon. Members: Hear, hear!

Mr. Baldwin: Before I give some of the reasons why this is the case, may I make a suggestion to which the government House leader and my friend the hon. member for Winnipeg North Centre (Mr. Knowles) might give some thought. In light of the fact that the standing committee is seized with problems concerning other matters, in order to facilitate the passage of this bill I suggest some thought be given to considering it in committee of the whole and giving it third reading today. I offer the suggestion that on this interesting Friday afternoon we might deal in that way with this very important matter. We might speed its passage here and get it to the other place so that it may become law in ample time to carry out the studies to which the minister referred. I make this proposal on behalf of our party.

The Northwest Territories has always presented a very difficult problem with regard to representation. It has been fortunate, though, in getting good quality representation. I think back to the first member for the Northwest Territories, the late Merv Hardie, a friend of mine and of many people in this House. He was a good and effective member who did a great deal for the people of his constituency. Mr. Gene Rhéaume, a member of this party, in the face of serious handicaps caused by the size of the constituency and other factors did a most effective job of representation in the opinion of most members of the House and, I believe, of his constituents.

● (1220)

The Northwest Territories needed people of this calibre because of its very nature, its vastness and extent. I have travelled through much of it. My hon. friend from Brandon-Souris (Mr. Dinsdale), a minister at one time, is familiar with the stresses which can result from the sheer size of this constituency which, in itself, is enough to cause a tremendous amount of anxiety in those who represent it. I notice that clause 7 of the bill refers to certain criteria which are to be borne in mind. It provides:

> In preparing its report the commission for the Northwest Territories shall be governed by the following rules ... the commission shall give special consideration to the following factors:
>
> (i) ease of transportation and communications within the electoral districts;
>
> (ii) geographical size and shape of the electoral districts relative to one another; and
>
> (iii) any community or diversity of interests of the inhabitants of various regions of the Northwest Territories.

I come from a constituency to which those words could aptly be applied, as do many of my colleagues in this House. I recall that when the first bill dealing with the readjustment of boundaries was going through its various stages, words of that kind were used by myself in an attempt to persuade the commissions to make certain dispositions as to constituency boundaries. I am sure other members made the same point. It is comforting to know that at this stage the government has recognized that these are matters which have to be taken into consideration when drawing up electoral boundaries. I would hope that some time when we are reviewing the provisions of the general legislation, the Electoral Boundaries Readjustment Act, criteria of this sort would be inserted because they constitute a very strong recommendation and one to which heed should be given by the commissions.

Representing, as I did, the old constituency of Peace River which occupied almost one third of the territorial mass of the province of Alberta, I can say that it presented, on a smaller scale, the same challenges in the way of representation as do the Northwest Territories, and these guidance rules would have been most useful.

We approve the legislation because we agree with what the President of the Privy Council (Mr. Sharp) has said. In addition, for too many years the affairs of the territories have been dominated by a form of neo-colonialism on the part of many of the officials of the department. I see signs, now, that this is disappearing but there is still a certain amount of it present. It constitutes a further problem for those who represent the constituency. I recall an old friend and colleague, the late Jack Sissons, the first judge of the territorial court of the Northwest Territories, engaging in a legal battle with the administration in an attempt to bring about an examination of a judicial matter of which he was fully seized so as to secure equity for the native people of the territories. One needs to read the autobiography of this distinguished jurist in order to understand how difficult it was for him, as it must have been for all the members from the Northwest Territories, to cope with this department. I am glad to see that some of the old attitudes are disappearing, and I think the process should be expedited. I believe the minister's intentions are good; the test will be his capacity to overcome the resistance which can still make itself felt in his department.

After long years of isolation because of conditions over which they had no control—I sometimes think they were fortunate—the native people of the territories have suddenly been faced with the impact of the twentieth century. In comparatively recent times the Northwest Territories have shown signs of yielding a number of valuable products which the outside world appears determined to discover, develop, process and send away to other parts of the country and the world. This has placed the Indian and Innuit people in immediate proximity to the benefits and also to the drawbacks of modern technology. They have not had an opportunity to prepare themselves over the years, and it has come as a tremendous shock.

Having spoken with the hon. member for Northwest Territories (Mr. Firth), and from my own experience travelling there and talking to the people, I know precisely how difficult this transition has been for them. It will take a great many years before the difficulties of adjustment are successfully overcome. Conflicts of a social nature as well as of an economic nature have been emphasized to an extent unknown in other parts of Canada, and it has been exceedingly difficult for one member representing such a constituency to do the job that needs to be done.

● (1230)

Let me seize the opportunity on this occasion to suggest to the government that it expedite Bill C-3, which adds Senate representation for the Northwest Territories and Yukon, as soon as possible. These two bills are companion measures, and I am sure the government House leader will agree with me, especially if he can get the kind of co-operation that this party is offering from the party of my hon. friend to my left, that this course should be followed. I am sure the hon. member for Winnipeg North Centre is just aching to urge that the distinguished body that is known as the other place should have among its membership a representative from the Northwest Territories.

For these reasons and a great many more that I could talk about for hours as a result of my knowledge of the needs in the north, we urge the House to give rapid passage to this bill at all stages and to send it to the other place.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it was my intention to make one of the suggestions that has been put forward by the hon. member for Peace River (Mr. Baldwin). It certainly was not my intention to make the other one. If there is any doubt about what I mean by the one and the other, I shall make that clear in a moment. At any rate, we do favour referring this bill to a committee of the whole House instead of to a standing committee. We think that the bill can be given approval through all stages in a matter of a very few minutes.

I want to pay my particular respects to my colleague the hon. member for Northwest Territories (Mr. Firth) for the persistence with which he has worked on this matter. As a member who has had to represent people spread over 1.5 million square miles, he is very much aware of how difficult it is for one person to represent that vast area and its far-flung population. He has felt that one of the best contributions he could make to his area and to his people is to insist that the Northwest Territories have two mem-

bers in the House of Commons, and we are delighted that his goal is being achieved.

I appreciate the reference made by the President of the Privy Council (Mr. Sharp) to the bills that the hon. member for Northwest Territories has placed before parliament, both in the twenty-ninth parliament and in this one. Bill C-299 is the hon. member's bill in this parliament and it calls for two seats for the Northwest Territories. The hon. member for Northwest Territories would like to compliment the government on finally having seen the wisdom of this proposal, and we are glad that this present bill, C-51, is to be put through all its remaining stages today.

I believe my colleague would agree with the suggestion made by the government—in fact, I know he agrees—that there be an independent commission to draw the line between the two seats. There are certain problems that must be looked at. In his bill my hon. friend suggested the names Mackenzie and Franklin for the two ridings. He tells me that since then he has been thinking about it some more, and that perhaps the logical names for the two ridings would be Western Arctic and Eastern Arctic. At any rate, this will be a matter to be decided by independent commission that will be appointed under the terms of the bill, after it hears from the people of the north, and we are glad that this action is being taken. We think this is an appropriate way to bring the people of the Northwest Territories, whose population is growing, as the minister pointed out this morning, into the mainstream of Canadian life, and we look forward to the fact that in the thirty-first parliament we shall have in this House of Commons two members from this area as well as a member from the Yukon.

I could have stopped here and resumed my seat, Mr. Speaker, but for the reference that the hon. member for Peace River dragged in at the end of his remarks. I have too much respect for the people of the north to palm off on them members who would be appointed by the government to sit in a house that is not elected by the people of Canada. Therefore, we shall give unanimous consent to this bill going to committee of the whole and to its being given third reading today, but don't ask us to deal today with Bill C-3. We want the north to be represented where the action is—here in the House of Commons.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to make some brief comments on this significant occasion. What is happening here today represents decades of effort toward achieving broader representation for the Northwest Territories. I think what is happening today would not have occurred had not the present member for the Northwest Territories (Mr. Firth) been elected. He is the first member from this great, vast geographic territory who is of native descent. I have long felt, both as a former minister of northern affairs and also as one interested in the development of the north before being appointed to that position, that the need for broader representation was recognized particularly by the native population.

My real purpose in participating in this debate today is to refer briefly to some of the historic facts that have emerged in the pursuit of more representative democracy in the north. It is only 22 years since the Department of Northern Affairs and National Resources was established, with its first minister being the Hon. Jean Lesage. It was only in 1959 that the Indian population received the franchise, a very recent historical development. Only as recently as 1962 did the Eskimo population receive the right to vote in this country, a quite recent development.

I think tribute should be paid to a former prime minister of this country, the right hon. member for Prince Albert (Mr. Diefenbaker), who is not with us today, because he more than anyone else can claim the credit for constantly keeping in view wider and more responsible representation for the north. It was under his administration that both groups of our native people received the right to vote for representation in the Parliament of Canada. The hon. member for Yukon (Mr. Nielsen) long sponsored a bill providing for two members for the Northwest Territories as well as for the Yukon territory, and his name should be mentioned in passing this morning.

To deal specifically with the bill that is before us, it is actually going to accomplish what we attempted to accomplish in 1963. Those members of far off days who are still in the House will recall that a bill was before parliament at that time to divide the Northwest Territories into two territories—not two electoral districts but two territories. The idea was to achieve adequate representation from the eastern Arctic which is made up primarily of native peoples. The complaint had been heard repeatedly that it was impossible for the native people to receive adequate representation in the House of Commons because, in the first instance, they did not have the vote until 1962 and, in the second instance, they would be overwhelmed by the voting strength concentrated in other parts of the country.

● (1240)

As I said in my opening remarks, that problem has been overcome by the fact that we have representation in the House of Commons by a member of the native people. This is a tribute to the comparatively rapid development that has taken place on the basis of the great upsurge in education as well as in the economy. It is a tribute that this situation has come about within the short space of two decades since this parliament and the Government of Canada became specifically interested in the development of this 3.5 million square miles that make up the Northwest Territories.

One point I should like to make before concluding is that there is ample information available as a result of the consultations which took place in preparation for the division of the territories contemplated in the legislation before this House in 1963. Prior to the defeat of the Diefenbaker Conservative government, consultation had taken place over a long period of time. A lot of information was accumulated which would provide the helpful background information required as the government contemplates the establishment of two electoral districts in the Northwest Territories. In those days, consultation was the order of the day. When there was a change in government, the new government decided to establish a commission, namely, the Carrothers commission, which moved around the northern half of Canada and brought in recommendations that resulted in the disappearance of the idea to divide the territories into two areas.

Proposals have been made about naming the new constituencies, calling one Eastern Arctic and the other Western Arctic. I do not think that is good enough, in view of the romantic and historic past of the Northwest Territories. I would suggest that the name to be chosen for the new territory should be retained in the name of the electoral district. It is an Eskimo word—Innusiaq. I think it would be ideal for the purposes contemplated in Bill C-51.

There are many problems in the Northwest Territories but there has been tremendous progress as a result of policies introduced in the late 1950s and early 1960s. Now that, at long last, some dozen years after the proposition was first put before this House, we are achieving the kind of representation that has been urgently required, I hope we will be able to move forward in dealing with some of the problems well known to those in this chamber.

I again congratulate the hon. member for Northwest Territories on his initiative in this regard and trust that the bill will receive speedy passage.

Mr. Sharp: Mr. Speaker, I rise on a point of order to say to those who have spoken on behalf of other parties that as far as this side is concerned, we would be agreeable to amending the order so as to have the bill considered in committee of the whole and, if possible, given third reading today.

Mr. Watson: Mr. Speaker, as a member of the Indian Affairs and Northern Development Committee, I would not agree. If it requires unanimous consent, I will not give that unanimous consent as I feel it should go to the Standing Committee on Indian Affairs and Northern Development.

Mr. Deputy Speaker: Order, please. The motion is not designed to send the bill to that committee; it would send it to the Standing Committee on Privileges and Elections.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I simply wanted to make the same point, that this bill would not go to the Standing Committee on Indian Affairs and Northern Development. To do that would require unanimous consent, so I hope the hon. member for Laprairie (Mr. Watson) will give his consent and allow us to conclude the discussions on this bill today.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Let us give it a try. Does the House give unanimous consent to modifying the order so that the bill will be referred to committee of the whole House?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. Sharp moved that the bill be read the third time and do pass.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

● (1250)

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I would like to say a few words on this bill at this time. From the bottom of my heart, and on behalf of the people of the Northwest Territories, I would like to thank each and every hon. member of this House for giving speedy passage to a very important bill for the Northwest Territories and indeed for all of Canada. Thank you very, very much.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the third time and passed.

Mr. Sharp: On a point of order, Mr. Speaker, having in mind the co-operation which has been shown here today, I think there should be the reward of a slightly longer lunch hour. May I call it one o'clock?

Mr. Deputy Speaker: Is it agreed that we call it one o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until 2 p.m. this afternoon.

At 12.53 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

FARM CREDIT ACT

MEASURE TO INCREASE CAPITAL OF CORPORATION AND PRESCRIBE REGULATIONS FOR LOANS

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-34, to amend the Farm Credit Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, in presenting Bill C-34, an act to amend the Farm Credit Act—

Mr. Knowles (Winnipeg North Centre): Is this the best in the world?

An hon. Member: It is the biggest.

Mr. Epp: It is the only thing in the world.

Mr. Whelan: Mr. Speaker, the question has been asked, is this the best in the world? Compared to other programs, I would think it is one of the best in the world; and is for the best group of farmers in the world.

Some hon. Members: Hear, hear!

Mr. Whelan: Mr. Speaker, I want to emphasize the importance of these proposals. The Farm Credit Corpora-

tion has administered this act for about 15 years and has made about 120,000 loans to farmers, totalling about $2¾ billion. That makes the Farm Credit Corporation the biggest single source of mortgage money for Canadian farmers, and it means that this piece of legislation is so important to Canadian farmers that it must be amended periodically to respond to the changing credit needs of the farm community. That is why these amendments are before the House today.

At the outset I must put in a plug for the pay-back record of farmers who have borrrowed under this program. In its 15 years of operation the Farm Credit Corporation has lost less than four cents on every $100 it has lent. I think this is something to brag about: we can brag about the honesty of the farmers who borrowed this money from the country, because they have been working under extreme conditions in order to pay back these loans. It also indicates that perhaps the Farm Credit Corporation was not taking the risks it should; just as the banking institutions do not take the risks that they should. Under the Bank Act they are allowed to charge interest rates that will cover a certain amount of risk, but if you ask them what they lose, the ratio is so small that you wonder if they are taking any risk at all. In this new Farm Credit Act we will be asking the Farm Credit Corporation to take more risks. I therefore ask the support of the House for the five major amendments which I propose.

The first amendment will increase the capital of the Farm Credit Corporation from $66 million to $100 million. This is important because the Farm Credit Corporation can borrow 25 times its capital from the federal Department of Finance. This, in effect, will allow the corporation to loan more money than in the past. This change is needed because farmers need more long-term capital today than ever before. Between 1951 and 1971, the total value of farm capital in Canada increased from $9.5 billion to $23.7 billion. The number of farms with annual sales of $5,000 has more than doubled. The number whose sales exceeded $10,000 increased by more than 500 per cent.

The second amendment is a technical one. Right now, the Farm Credit Act demands that the corporation take a first mortgage on land as security for loans. If this bill is passed, the Farm Credit Corporation could make loans on second or subsequent mortgages. It would give the farmers who already have a loan from the Farm Credit Corporation, or from some other loan organization, the option of getting a second and separate loan on a second mortgage. The first would not have to be renegotiated. A farmer who already has a first mortgage against his farm held by a lender other than the Farm Credit Corporation would also be able to borrow additional funds from the corporation on a second mortgage. If the first mortgage has a preferred interest rate, he would not have to change this. This would mean a saving to farmers who are lucky enough to have lower interest rates or better pay-back arrangements on their first mortgages than the Farm Credit Corporation could arrange if the two loans had to be consolidated as has been the case in the past.

Now we come to the most important part of the bill. There are three major amendments that will help young people to get started in farming. Look at the need. Between 1951 and 1971 the percentage of Canada's farmers who were under 35 years of age dropped from 22 per cent to 15 per cent. This country cannot afford to let that trend continue. The demand for food will increase in our country and all over the world, so it is important for us to encourage more people to enter agriculture.

● (1410)

In recent years the Farm Credit Corporation has done a lot to tackle this problem. Between April 1, 1974, and December 31, 1974, 53 per cent of the corporation's loans were made to people under 35 years of age. We hope to make more than 5,000 loans to farmers under 35 years of age during 1975. I can tell you, Mr. Speaker, that according to letters received in my office and letters received by the Farm Credit Corporation and its district offices, many young people are waiting for this legislation to become effective.

Let us look at the three main features aimed at helping young farmers. Now, young farmers under the age of 35 who show above average management skills can get loans for up to 90 per cent of the productive value of their farm land and chattels. The amendments before the House call for even more, namely, for the making of loans of more than 90 per cent of the productive value of these assets to young farmers who have the drive and ability to make farming pay. In other words, we shall be lending money to young men according to their ability to farm, not according to how much money they have in the bank or in equity. That is the way most people think it should be.

We need this change because the market value of much of our best farm land has been forced to a much higher figure than its productive value. If we were to tie all our loans to the productive value of farm land, I am afraid this legislation would become worthless to many people wanting to buy a farm in the future. With the cost of land and chattels going up, it is also common sense to lift the maximum on our loans. This bill calls for maximum loan to farmers under 35 years to be increased to $150,000.

The bill also calls for a real breakthrough in our federal farm credit program. At present, loans can only be made to those whose main occupation is farming or will be farming once the loan has been made. That is no longer good enough. Many young men are able to get the backing they need to buy farm land, but need time before they can afford the livestock and equipment needed to make the farm generate enough income to cover both their farm bills and living costs. That is why we are proposing a new part to be added to the Farm Credit Act. Under it, we want to give loans to young people on condition that they become full-time farmers within five years. During this five-year period these young farmers will be able to hold regular jobs off the farm; this will help them get their farm operations under way.

As I have said, young farmers will be able to borrow as much as $150,000 under this legislation, plus an additional $50,000 under the Farm Improvement Loans Act for land, equipment, and so on. I think we should pass our stabilization legislation as quickly as possible so that both pieces of legislation can complement one another. If we lend money to young farmers, they must be assured that they will be able to pay back the money they have borrowed for land, equipment, and so on.

Some people in Canada have suggested that the state should own all the land. It would be terrible if that were to happen in Canada, if somebody decided that our farms should operate under such conditions. Our agricultural industry is the most productive industry in Canada; it has increased its productivity by 100 per cent per man in ten years, whereas the average industrial and commercial operation has only increased its productivity by about 40 per cent per man in the last ten years. Our people deserve the right of private ownership. Most Canadians favour ownership of land. Most people who come to Canada from Britain, Europe and other parts of the world come here with the idea of owning land and being free to create something for themselves. To see that I am right all one has to do is examine conditions in countries where the state owns the land. Where the state owns it, there is not much incentive to produce: people are not prone to work so hard if they are not creating something for themselves; there is no incentive to work beyond a set time; there is no desire to run a combine all night if the weather for the next day is not promising. People on state-run farms prefer to stop in the middle of the afternoon. The same happens with the planting of crops. It is people who have pride of ownership, who want to create something, who are willing to work hard.

Some hon. Members: Hear, hear!

Mr. Whelan: It is this, as I said earlier, which makes the 6 per cent of our people engaged in agricultural production our most efficient members of society. They have become so productive because there is the incentive to produce and create. Passage of this legislation, as well as of the stabilization legislation, is important if this momentum is to continue. Further, we can only guarantee the consumer that he will have a constant supply of high quality food at reasonable prices by passing legislation which will ensure a strong agricultural base in this country. The agricultural industry is extremely important for one third of our population in one way or another depends on it for jobs.

Any nation which does not have a healthy agricultural industry faces problems; its society is not healthy. So it is most important for us to pass this and other farm legislation as soon as possible. Our future food producers are the young farmers of today. They need this legislation which is important to all members of our society and I urge hon. members to give it to them.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I appreciate what the Minister of Agriculture (Mr. Whelan) has said in introducing this bill. He said this is one of the most important pieces of legislation on our statute books. I think most members of the House would concede that 20 years ago agriculture in all parts of Canada was in desperate straits. The government which assumed power in 1957 introduced a number of bills which still serve as guides for farm legislation: measures providing for stabilization of prices, for the Farm Credit Corporation, and so on, first introduced by the government led by the right hon. member for Prince Albert (Mr. Diefenbaker) stand as landmarks for all western countries to behold. A social scientist who examined legislation in the western world listed farm programs which we introduced as the most revolutionary type of legislation passed by any country in the western world in the last 70 years. I am glad the minister recognizes this.

We must deal with agriculture on a non-partisan basis. Agriculture is our main force for solving the world's biggest problem, that of feeding the hungry people of the world. This will call for maximum effort in which our agricultural industry must play its part. That means it is our duty to work in a non-partisan way, in the interests of the people of Canada and of all the world, and make sure that agriculture is given the tools and the freedom to finish the job.

The minister's comments about the importance of young farmers deserve to be dealt with at length. I would like to add to the views expressed by the minister by saying that we have not begun, in the western world, to farm the way we will have to farm in the next 20 to 30 years. We have always had unlimited land to develop. We have become very expert in extensive agricultural techniques. By "extensive" I mean extending over large areas of land and farming them with the techniques we have learned in dry land farming. It has been a great evolution in the field of science to see areas of the world that were once considered desert, like Saskatchewan, become among the most productive areas of the world. This great evolution of moving into dry areas, mastering the difficulties there and producing food is one of the great wonders of the modern world, particularly in respect of the people who did it. However, it is not enough. We must turn, now, to techniques of intensive agriculture in order to multiply two and three times the quantities we produced before with the same amount of land, water and air. Young farmers will be essential in this task. I know something of their flexibility, staying power and willingness to take the chances that will be required and, above all, I know the willingness of farmers to work, because I know something of the difficulties that we face in this field.

● (1420)

I am glad the minister recognizes that you cannot deal with a single item like farm credit and think that is the answer to all the problems. It has to be related to other fundamental parts of the program. The first fundamental part is marketing. It is on this most important, first function of agricultural policy that this government is weakest and has been for many years. Second is the question of stability of prices. There will shortly be a bill dealing with this before the House. We look forward to it; it is a move in the right direction.

The third principle is stability of income. We have a bill before us this session which deals with that problem for western farmers but not for eastern farmers. The fourth principle is a modern system of farm credit. That is what we are discussing now. The fifth principle is redevelopment. That is another subject on which I will have a lot to say during the next few months, and on which I think this government is very weak. I ask the minister, with regard to redevelopment, to take back into his department the branches and divisions that have been stolen from agriculture and have downgraded the department over the past ten years. These five principles are the test for measuring gauge that we in this party will apply to all policies produced by the government. If they meet the test of forward motion, the official opposition will support them.

With respect to these Farm Credit Act amendments, I support the legislation. I wish to point out that we in the Diefenbaker administration started this type of modern farm credit program in 1959. However, three years after we passed the legislation it was in need of reform because changes occurred so rapidly. I recall some of the reforms brought in under the regulations whereby farmers were allowed to pay a share of crop payments instead of a fixed interest payment and capital repayment. We discussed the need of Indians on and off reservations having access to this legislation. We discussed the problems of city people, ex-young farmers who found no opportunity on a group farm of several sons moving to the city and wanting to come back but not being able to do so because the legislation insisted that a man had to be a 100 per cent farmer to get any money.

All these things began to be apparent within a few years of our passing this legislation. The tragedy is that it has taken us so long to get to the stage where knowledge of the need has been translated into legislative proposals. In the life of a nation, ten years is not very long. However, in the life of a young person on the farm or in the city whose hopes and ambitions have been frustrated, ten lost years do not refer to the recession or the depression; they refer to how long parliament took to reform this farm credit legislation.

I recall the changes brought in by the minister who succeeded me. His proposal was that we should increase the maximums. However, it was he who broke the original pledge of the government of the right hon. member for Prince Albert. In return for asking farmers who borrowed from the Farm Credit Corporation at 5 per cent interest when money could be borrowed at lower rates from other sources, we said if interest rates ever went above 5 per cent we would make sure that the farmers of this country could borrow at 5 per cent. It was an averaging or stabilizing device. The minister of agriculture who followed me broke the pledge and let interest rates rise. I will come back to that. Since that time we have had several amendments, mostly dealing with the size of loans, which have been of importance. However, today we have Bill C-34, before us. I can assure you, Mr. Speaker, that we have several speakers on this side who will be making positive and, I hope, constructive proposals that will help improve this bill when we get it to committee.

My particular proposal deals with potential types of loans as opposed to loans on assets. I gathered from the minister's remarks that the criticisms of the Farm Credit Corporation in the past few years have dealt with the question of assets. We work like a group of bankers, on the assumption that before you lend any money you must have assets to equal the amount of the loan. Even though the proportion of assets is now down to 50 per cent or 60 per cent, I simply point out to the House—as I am sure thousands of farmers have pointed out to the government in the past ten years—that a young person, by no stretch of the imagination or in his wildest dreams, can ever accumulate the assets necessary for him to assume a huge loan.

What has actually happened is that the young man who wants to farm has had to ask his parents, uncles or neighbours to pledge their land in the taking out of a loan, even though he is using the farm he is buying as one of the items of collateral. This means we have tied up the assets of the older generation who would like to move on to a little easier life after many years of hard work, but cannot get off their farming operations because their land is tied to backing a loan for a son or neighbour. The improvements in the bill really do not grapple with this problem. They do reduce the asset requirements and allow for second mortgages and other types of collateral. Instead of this, I ask the minister, who has always spoken up for agriculture, now to speak up loudly and clearly on this matter and say that he will see to it—he can do this without amending the act but through the regulations—that loans will be granted to young people without assets; that loans will be granted on the basis of a young man's ability to farm, to produce a good plan, to demonstrate that he knows how to succeed.

● (1430)

Is this idea so revolutionary? In 1934 the United States Congress during the Roosevelt period put such legislation on its books and it is still there. Any private lending agency in the United States is empowered to lend to any young farmer without assets the amount the lending agency feels fit for the type of operation contemplated. The only limitation placed on the application of that legislation is this: the young man has to bring in signatures of ten neighbouring farmers who know him and will vouch for his integrity and ability. They are supposed to put a nominal sum on the line as a guarantee of good faith when signing that document. I doubt whether in the last 25 years a United States bank or other financial agency has ever asked an individual to forfeit that deposit. When any young man can get ten farmers behind him, he is not very likely to fail: they do not do this to help a neighbouring lad unless they intend to ensure that he makes a success of what he is doing.

Here is another example. In the period between 1948 and 1959 the Ontario government had the young farmers loan act on its books, and even though the loans were not large they were granted mainly on the basis of the recommendation of neighbours of the applicant. I have not looked at that legislation for years, but my recollection is that in the 11 years of the operation, losses amounted to about $2,000. Millions of dollars were lent, yet there was only this minuscule loss. So these are not new ideas.

A third precedent was in 1958 when Canadian money was given to a foreign government, the government of Malaysia, for clearing the jungles for the farmers of that country as a means of preventing the infiltration of communists from the north. On selected ten-acre plots, bred rubber trees were planted on about seven acres and a variety of other plants on the remainder. Canadian money provided these Malaysian farmers with a monthly sum on which to keep their families alive until the rubber trees began to procedure seven years later. When these men obtained a cash flow equal to the cost of their farming operations, equal to the cost of looking after their families, the rest of their income was considered net income and the Canadian government asked for 15 per cent in return payment of the loan. That debt is now paid. Isn't it about time we did the same sort of thing for young Canadians?

I could go on to give other examples. However, I hope my proposal is acceptable to the minister. Let us see whether we can get away from all this red tape, tying up acreages all around the young people we are trying to help. Free the older generation to do as they like with their own farms. This is a matter which is on my conscience. I tried to make this change when I was minister of agriculture in 1962. I put it before the advisory committee of the Farm Credit Corporation on two occasions, but on both occasions it was turned down. I have regretted ever since that I did not use the power the people had given me to push it through: we could have had the legislation in place for the last 13 years. I urge the minister not to carry the load on his back that I have carried through my failure to get this help to our young people. I realize there have to be advisory committees. But they are only advisory committees; they are not our masters. The electors of this country are the people to whom we are responsible.

A similar thing happened to the minister of agriculture of Ontario. He proposed a scheme under which young farmers could go into the livestock business provided they stuck with it for seven years, at the end of which he would forgive them a large protion of the capital debt. His advisory board turned him down. I am saying to the minister, "Thirteen years ago I had my opportunity and I tried to push this proposal forward. I have carried this on my back for 13 years, and I hope you do not have to do the same thing."

It is about time we moved ahead in this field of loans and got away from the worshipping of assets. Other institutions, other interest groups have done so. The Bank of America, in California, developed its whole banking operations on the concept of lending money on the basis of cash flow, the earning power of the people to whom it was lending money. I would like to see this done for the young people in Canada who want to farm. If this was important 13 years ago when the average farm loan was around $10,000, it is even more important today when the average farm loan is around $45,000 with a ceiling of $150,000. It is not the amount of the loan which kills a borrower; it is the interest he has to pay because of high rates tied to the lending rate of the government with its inflationary ways of doing things. The effect is that over a 30-year period a young farmer will pay $3 in interest over and above the $1 he has borrowed; in other words, if he borrows $100,000 he knows he will have to pay $300,000 in addition by way of interest, under the present set-up.

I do not say farm productivity will not be able to afford this in the future, but it means that 75 per cent of a man's effort goes into payment of interest and only 25 per cent into repayment of money borrowed. The same thing applies to a person buying a home. The price of a home in Toronto now is $57,000. A person buying it will have to pay another $150,000 in interest. This is the logic of the capital-intensive economy in which we live.

I hope the minister is sincere when he tells us we have to support young farmers. I do not care whether the young man comes from a farm or from a city. With the tremendous emphasis today on knowledge of business techniques, some of our best farmers are coming from the cities. In the past we have discriminated against these people on the ground that they were city people, and very often they could get no help at all. This bill takes a big step forward. A young man may, if he wishes, continue to work in the city, but if it is understood that he intends to become a full-time farmer, money can still be lent to him. As I say, that is a big step forward. I hope we can tie it in with the proposal I have just made and remove this silly asset requirement. The asset requirement makes it impossible for nine out of ten young men to get a farm today; only one in ten has an uncle or a father on a farm.

● (1440)

Sitting in the gallery at the present time is a farmer with three sons who has already tied up his holdings to get two sons started. He has a third son now ready, but the farmer is still young and he wants to keep on farming. At the same time he is helping a neighbour lad. I know he is a young farmer because he is the same age as I am, but he has three sons and a neighbour boy who are ready. All his assets are tied up for all the years the sons will take to pay off the debts. So I plead not only for the sons but for the old man too.

Secondly, I suggest that besides the concept of potential lending, which has a record of little or no losses, we should look for a new method of payment. My second proposal is that if a farmer comes into a plan, particularly a livestock plan which means a five-year to seven-year pay-out period before he can get going, during that period we should not take any repayments from him. Then when he does get a cash flow, the first charge on that cash flow should be the cost of operation and an agreed amount for his living. The balance will be considered net.

I know that the Minister of Finance (Mr. Turner) and those gnomes who advise him will argue very strenuously against this type of proposal, but I also know that it is actuarially sound. If you allowed the farmer his cost of operation and family living, the government would get more money back at a faster rate if it took 15 per cent of the net rather than a 6 per cent interest rate. With a loan level of 8 per cent, perhaps it would have to be split 18, 19 or 20 per cent to the 82 to 80 per cent to get your money back; but there would be peace of mind for the young man who borrowed this huge sum of money. He would have the knowledge that his family would be looked after, that his operation operating cost would be looked after, and when he gets a cash flow he would not object to paying 15 to 18 per cent of his profit to the Farm Credit Corporation which lent him the money. This figure would have to be projected on a percentage basis, a calculation the Farm Credit Corporation is well qualified to make.

This new type of repayment proposal would mean that during a period of two or three bad years, such as the livestock producers are now experiencing, they would not lose their shirts or their farms. When crops and returns are exceptionally good, as they were two or three years ago in the livestock industry, a return of 15 to 18 per cent of the net to the government would be much greater than it would with a 6 to 7 per cent interest rate. As I say, this has been done in Malaysia and it can be done here. It would be up to the minister to fight it out with the Department of Finance to see whether it could be done.

We are talking here, admittedly, about young people. How many will there be? I have looked over the tables but

I do not think the number of young people demanding these loans at the beginning will be more than 2,000 or 3,000, with perhaps an additional 1,000 a year from then on in, though I may be wrong about that. I suggest the Minister of Finance would be better off to take 15 per cent or 18 per cent of the net profit, though the exact percentage would of course have to be agreed upon. I would particularly recommend this proposal for those who come off reservations or farm on Indian reservations. In my district a farmer and his associates saved for ten years while on an Indian reservation. Finally they saved $10,000 and in 1974 received a very large loan; Indian Affairs was very generous to them. However, the interest rate and a fixed rate of return in the livestock business could break this man's and his wife's heart over the next two or three years. There are five or six other families on the same reservation fighting now to save a few dollars and their life's dream could also be destroyed. What I am describing in my own constituency I am sure could be described by other members with Indians in their areas.

I think the Minister of Indian Affairs and Northern Development (Mr. Buchanan), with all the willingness in his department to help if they only knew how, would be sympathetic to some kind of repayment scheme based on a share of the profit. I ask them not to worry about incentive. If you give a guy 80 to 85 per cent of the profit, he will work. I suggest these proposals are worthy of consideration and I hope they will be matched by other proposals from our side of the House. I conclude my remarks by saying that Bill C-34 is a good bill. The amendments in it are good amendments. All I ask is that in the committee the minister sit down on a non-partisan basis and try to make it a heck of a lot better.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, there seems to be such a congenial atmosphere this afternoon that it almost seems like a love-in. Certainly a partisan politician would almost hate to participate in the debate. First of all, I must say that I am very happy to note that the Minister of Agriculture (Mr. Whelan) was his usual very modest and humble self when he introduced the bill. Certainly he spoke in a sincere and low-key manner. At the outset I want to say that I and those of my party who are here endorse the bill before us.

An hon. Member: Where are all the others?

Mr. Nystrom: Stanley and I are united on this point. Seriously, Mr. Speaker, we can deal with this bill very quickly. We support the amendments, particularly those relating to additional loans that are now being made to young people. They are worth while and they are, as the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) said, long overdue. A debate like this gives us an opportunity to stress once again to all members of the House, particularly those from rural Canada, that we have an obligation to say to those from urban Canada that it is very important to build a strong agricultural industry; particularly in a country such as ours where agriculture is the economic base.

Canada is one of the few countries of the world that produces a surplus of food, and it should be our moral obligation to produce as much food as we can. This is our obligation to mankind, particularly at a time when so many people in the world are dying from lack of food. We see expanding populations in all nations of the world and diminishing agricultural producing areas due to the madness with which mankind plans cities today by putting concrete over good agricultural land and topsoil. Thus, this country and the parliamentarians in this House are obligated to make the number one priority in this country the maximization of food production, not only for the people of Canada but for all mankind.

● (1450)

I urge upon the government that the only way it can do this is by providing farmers with a stable economy and price guarantees so they will know in the spring what they are going to get in the fall. The farmer, like anyone else in our society, is faced with many things he cannot determine. He is faced, first of all, with world climatic conditions; he cannot determine rainfalls and he cannot determine frosts; he cannot determine what conditions will be in China, the Soviet Union or elsewhere. He cannot control international markets. Because of these uncertain and unknown factors, the farmer needs from the Government of Canada and the provincial governments as many guarantees as they can possibly muster. These guarantees must be of the following order. There must be, first, a price guarantee for his produce. That is a basic necessity. Second, and this is where I disagree with members of the Conservative Party particularly, there must be very strong marketing boards so the farmer has some clout in the marketplace. The marketing board should be for the farmer what the trade union is for the worker, what the professional association is for the lawyer and the doctor, what the real estate association is for the real estate agent, and so on. The farmer needs that type of clout in the marketplace and he needs that type of vehicle to enable him to bargain for the best justifiable future. He does not have that advantage in the market structure of today.

If the farmer is guaranteed those things, he will produce food. If he produces all the food possible, Canada can make a real contribution for the hungry people of the world. In the past we have been faced with the disgrace of food surpluses in this country. It was scandalous a few years ago when the government paid farmers not to grow wheat. I think most members of this House now realize that was a mistake. Instead of putting money into growing wheat, the funds should have been put into storage facilities in this country and into developing programs to help farmers diversify into other areas of food production. I think it was a tremendous mistake to pay farmers not to grow wheat.

Last fall we experienced another surplus. That was the CEMA surplus of eggs which resulted in great controversy. We would not have had a surplus of eggs in this country if there had been proper storage facilities and a proper delivery system in order to channel the eggs to countries where they were needed. We could have powdered and processed those eggs for storage and provided them as part of our foreign aid program to countries which needed them. We can use all the surpluses of food we can produce in this country, through foreign aid, by establishing a world food bank, a Canadian food bank or what have you, and feeding the starving people of the world. That should be our number one priority. When it comes to food

production, we must maximize that production in this country for the sake not just of the agricultural economy but for all people in the world.

The bill before us contains a number of important amendments which, as I have said, all of us are willing to support and endorse wholeheartedly. We in this party have been suggesting for years that we should make credit available at lower interest rates, easier terms and fewer restrictions for our young farmers. If one looks around the farming economies, including my own riding, he will find that the farmers' average age is 57. What does that say about farming today? I am sure the hon. member for Saint-Denis (Mr. Prud'homme) and members from other cities in this country realize that when the average age of the workers is in the area of 57, something must be wrong with industry, in terms of planning.

If this trend continues in agriculture, for instance, we will have fewer farms and farmers. If that happens, we will have fewer small, rural communities, towns and villages and it will destroy the whole fabric of this lifestyle. That destruction will occur even if there is affluence in some farming areas because of the high price of wheat, but when that happens there will be an economic change. What will happen then is that the large farms will become larger because the owners or the farm corporations will buy out the small farms, put in bigger equipment and machinery and continue to expand their operations. That will continue unless we adopt programs which take chances on young farmers, giving them more money—hopefully, interest free. We must give them all the encouragement we can in order that they can firmly establish themselves in the farm business.

If I can get the minister's ear for one minute, I should like to tell him that the one thing he should be very concerned about is trying to get the Farm Credit Corporation and other branches of his department working in that way to improve the situation in practical terms. The land bank development program and the storage program in Saskatchewan are good examples of this. We must maximize co-operation between the provincial governments and the federal government. These programs in Saskatchewan are working very well, but they would work even better if we had more co-operation from Ottawa. I think the people of Saskatchewan will endorse these programs pretty heavily this June or July, whenever the election is held in that province, and I believe the minister is very much aware of that.

The hon. member for Qu'Appelle-Moose Mountain and the Minister of Agriculture referred earlier to the great contributions the various parties have made to agriculture and the farming economy. I think it goes without saying that this party has always been concerned about the welfare of the farmer. In fact this party was, basically, born among the farmers and the urban workers on the prairies. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), the late Mr. Coldwell and others of our party have represented farming constituencies and were elected basically because the farmers of this country wanted a change and a new political régime. They wanted some clout in the marketplace, some bargaining power. Our party fully realizes that if we are to have a sound national economy we must fulfil our obligations in respect of world humanitarian values, and the farming economy is where we must start.

I hope this bill passes second reading today, is moved expeditiously through committee and third reading stages and becomes law as quickly as possible so that the farmers of this country can enjoy the benefits of these amendments.

● (1500)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): After the statement by the Minister of Agriculture (Mr. Whelan) referring to possible improvements in farm credit, I realize this is needed in the present system and I shall certainly support the legislation, which is capable of improving the farmer's state of affairs.

He mentioned our young farmers, and I commend him for that. I also appreciated his reference to collective farming in certain European countries and all the drawbacks involved in such a system. He gets there my wholehearted approval. However, I should be very much pleased if we could have here in Canada a system where farmers would get some return from their farming operation without having to go into debt all the time. That is the current situation.

I realize that under present conditions loans are needed because the system is inherently stupid. But nonetheless, farming, as any other operation, should be organized in such a way that the operator could get his living out of it. How come it was found some 40 years ago that families of 12 children could live on the land but nowadays they cannot make ends meet with reduced families? All the problems they have come from somewhere. I find amazing we do not stop long enough to analyze that situation.

Credit is vital to many of our good operators, and even more so to the average farmer. I will give an example of how the Farm Credit Corporation's attitude can influence rural development in one area. One appraising criterium that biases the whole long term credit philosophy is the market value. The Farm Credit Corporation and the Farm Credit Board are similar agencies. Being in essence the only lenders, it may be concluded that they determine the market value of farms. If they do not lend, or not enough, clearly the selling price will be directly influenced by the amounts made available to borrowers. We are in a vicious circle. The officials will cynically say at times: "There is no buyer." Indeed, they are the only buyers, because no other business can compete with a Crown corporation funded with public grants. I wonder sometimes whether for the sake of profit we are not altering the objectives sought by the sponsors of this bill. Are the welfare measures which are mostly financed by the federal government not used to counterbalance the irresponsibility of some departments, such as the Department of Agriculture, and more specifically the Farm Credit Corporation?

When will the various branches of the federal government and the Crown corporations consider themselves as part of a single enterprise serving all Canadian citizens? Then, those mighty brains who work in complete isolation like independent private concerns and insist above all on profitability and efficiency would make the federal

administrative machinery more profitable and efficient, and especially more acceptable to all Canadians.

Since now we see how rural life can avoid the miseries of urban life, the on-going crises between capital and work, the moral downfall of the capitalistic economy, we are still reluctant to grant the farming community full social and economic equality and allow them to organize their own environment and institutions.

Consequently, since the industrial organization of agriculture inevitably results in the disappearance of thousands of family farming operations at a time we should be filling the country with free and happy people, Montreal residents come down to settle in Kamouraska. Five families left the city to settle in Kamouraska in a rural environment. If I took a little time to relate the history of Kamouraska you would see that for a little over 50 years certain facts have been reminding us of circumstances which surrounded the establishment of the experimental farm in Ste-Anne-de-la-Pocatière. I could quote debates in this House relating that the then federal member for Kamouraska participated in the establishment of the experimental farm in Ste-Anne-de-la-Pocatière. Those are facts and, as I said at the beginning of my remarks, what is sad about all that is that farmers contributed to enlarging rural areas. I am talking about Kamouraska but that is also taking place in the whole province of Quebec, at least in the areas I had an opportunity to visit in Canada. Farmers managed 50 years ago with quite ordinary means to raise their families on lands of 100 acres or even sometimes 30 acres. Today those same families can no longer live without sinking deeply into debt. We must expand, we need pools to borrow, to organize the whole farming apparatus because very expensive machinery is required.

I am not against evolution, I take part in it, at least I try, and I keep up with the times. I try to follow the current evolution. But we must face facts as they are, considering the situation.

At this point in time, we should be populating our rural areas with free and happy citizens, to cultivate the soil instead of exploiting it, because there is a difference between the two. We should be taking care of the small and average units, according to their strength and the requirements of modern work and play. Instead, we are advocating solutions adapted to the industrial world, that is, increasingly cumbersome operations, which are economically delicate and humanly crushing.

Could it be that simply to decrease the democratic freedom and strength, the first for money and comfort of a class of society far too long deprived of them is being exploited? But what will be the ultimate results of such a policy on rural citizens and society as a whole?

One cannot go into debt indefinitely. It is unthinkable that a just society should stem from general indebtedness. To my mind, that is just common sense.

At a time when agriculture as a whole seems terribly complicated, where the answers given by the technocrats and politicians to rural problems seem increasingly remote from the needs and aspirations of a growing part of the population, might it not be advisable to come back to the basic principles of the social order our institutions strive to maintain, if only in an attempt to see whether the changes brought about through "a shower of laws" may not be contrary to the philosophy that has guided the organization of our rural society?

A society cannot be changed overnight. As any living organism, it can adapt itself to new conditions but gradually. To go too fast would threaten the organism with destruction from stress. In politics, contrary to what happens in the biological world, antibiotics cannot be used to cure ills quickly. That is why the passing of legislation must be approached with caution.

Social order is the result of thousands of painful situations experienced by mankind. Through the ages man clung to a certain number of principles. They enabled him to survive, guide his actions and bequeath a moral code to his descendants.

Today as yesterday, bread, science and religion are the three sources of human wisdom. Little by little man came to see himself as sociable, that is dependent upon others to fulfill his needs from birth to death. He thought necessary and best for him that individuals formed groups and took the responsibility of meeting various needs. Social classes defined themselves more or less successfully, with more or less control over the political power having become ever more necessary.

In this great scheme, farmers have always been the losers, in spite of the important part they were playing. As providers of physical necessities, isolated in their fields, farmers had to stay away from the market place where social and political deals are made and where the complex relations within the governing classes are established.

I remember the good old days of my youth in Kamouraska. We had politicians who apparently were high quality speakers. There is a sentence, among others, which still sounds fresh in my memory. A speaker was trying to win voters over to his side during a political meeting. Because these voters were farmers, he had chosen his words accordingly. Here is this sentence: "What profession is as noble as that of the farmer who, in the shadow of the parochial church steeple, ploughes a straight furrow to feed his family and mankind as well."

Such were the sentences used by Grit or Tory politicians in Kamouraska over 40 or 50 years ago. The man who uttered it was elected and was eventually appointed minister. Later, they came to realize the adverse effects of the current system: a whole population in debt. Try and prove me wrong!

The farming community shouldered more than its share of the nonsense of privileged classes, by letting them do sometimes the greatest stupidities. That is probably why the tyrants, who were aware of the farmers' restrained patience, have always attempted to maintain them in slavery. Without the latter's docility, the laziness and social vices of the groups in power would have not been possible. Let us mention incidentally that things have hardly changed, but for the refinement of methods and language to achieve the same purposes.

It is worth noting that farmers have never been able to get from society the proper price for their work. It is true. Let us just look at the current fight in all provinces in an

attempt to establish a reasonable price, a reasonable salary for the land worker.

A society can be considered free when its citizens can assume by themselves the responsibilities deriving from their lives, the lives of their families, from their paying taxes, and we know there are lots of those! They must assume the cost of the institutions necessary for the maintenance of their culture, their own social and economic progress, but without deeply sinking into debt.

One only has to look at what is going on to see a true reflection of our society: deserted farms, migration to the cities, which do not always give people the security they wanted.

One need not be surprised then that such a society finds it difficult to provide sound legislation made for free people but only offers to farmers as well as to other citizens the limitations of its industry and the instability of its liberal economy.

More serious still, it no longer provides farmers with the instrument of corporations, which encouraged responsibility and initiative, but with unions which can unfortunately be dominated and put to silence more easily because they invariably challenge an order they did not contribute to build.

We remember what happened last fall. I have here copies of newspaper clippings showing farmers killing animals and hanging them along the national highway. I say this myself. Cattle was killed by the hundred! They somehow repeated here what was done in the United States. Is this a normal situation? People complain, and it is true that a part of mankind is starving, and here we bury hundreds of animals, fattened calves that are ready for the market and that are destroyed. This happens here in Canada, in our system based on debt, which people do not want to change. We are going to suffer the consequences of that system, because it can certainly not bring about a just society. Again, we cannot found a just society on debt.

In the present circumstances, as I said at the beginning of my remarks, and with such a stupid system, we have to try to find the means to allow the farmers, the young people who want to go into farming—and I know there are some—to get the money required to purchase a property, develop it, put it in debt if they want. Everyone is in debt in our upside down system. This is not the answer.

In such a stupid system, we sometimes have to support legislation which can bring a bit of help and some temporary relief. This is not the answer. Can anyone think: My problem is solved because I am in debt. Come on! When you are in trouble and that a loan comes in handy, it might prove helpful, but does it solve the problem?

I shall conclude my remarks since I believe that I have said all that I wanted to say this afternoon about this bill. In passing, I would like to tell the minister that he can make all the necessary amendments to the bill to improve it, and particularly to avoid this famous bureaucracy and red tape. He should improve the bill so that the farmer who needs a loan may obtain it and so that the young man who wants to get into farming does not have to wait for months and go through a lot of red tape. Now, you have to wait indefinitely before obtaining a loan.

I would like the procedures to be more flexible and I would like this bill, that I will support even though I am against running into debt, to be flexible enough to benefit the greatest possible number of Canadian farmers.

● (1510)

[*English*]

Mr. C. Douglas (Bruce): Mr. Speaker, it is with a great deal of pleasure, and with hope for the future of young farmers and of agriculture that I rise to take part in this debate. I can certainly give my whole-hearted support to the Minister of Agriculture (Mr. Whelan) who has presented this bill, to amend the Farm Credit Act, in order that long term mortgage credit may be made available to farmers, particularly young farmers. It is important that young people be given the opportunity to enter agriculture, and indeed we must try to divert some from other fields of endeavour that they may have chosen as their life's work.

Many pages have been written in the press, and the volumes of *Hansard* have recorded the words spoken in this House about the outstanding ability of the Minister of Agriculture—

Mr. Gillies: Usually by himself.

Mr. Knowles (Winnipeg North Centre): Especially by him.

Mr. Epp: Only by him.

Mr. Douglas (Bruce): Of course there have been some words to the contrary, but they have been shown to be weak and insipid when tested against the measures brought forward by the minister and put into practice by the government. Politics aside, Mr. Speaker, I firmly believe that a man's true worth is explained and upheld by his accomplishments. If the minister continues to bring in legislation such as the bill before us today and the Farm Stabilization Act, which attempt to rectify serious problems in agriculture, then the future of that industry and the future of this country are in good hands.

We must realize, Mr. Speaker, that the future of this country depends on the stability of the people engaged in agriculture. We can make all manner of brave and gallant statements about petroleum requirements and the problems of people in that industry, of the people who build our cars and who run our trains but, when it comes down to it, unless we have a stable agricultural industry all else is meaningless.

People in this country and indeed throughout the world can do without many things now regarded as necessities. We do not all need an automobile or two television sets—but we all have to eat. I think the best thing that we, as a nation, can do to help world conditions is to ensure that our agricultural industry remains stable. It is an industry which should be capable of meeting the food requirements of the world population.

● (1520)

People have talked about what causes wars. We have seen wars, develop in the past. Basically, wars have been brought on because nations have been unable to feed their

people. If we are to play an auspicious part in preventing war and hate between nation and nation, we must look to the future and encourage our young people to take up the business of agriculture. Let us remember that, no matter what we say or do, agriculture is the backbone of our national foundation.

We can get along without many so-called amenities, but we cannot get along without our young people, who are basic to our well-being. Members representing the rural ridings, whether in the east or the west, in British Columbia or the Maritimes, know that young people are leaving the land and going to the cities, often for education. I know this holds true in the ridings of Perth-Wilmot, Huron, Dufferin-Grey-Simcoe-Waterloo, and many others; young people are leaving the ridings and seeking an education in the cities. We must reverse the present trend. We must induce these young people, once they have obtained the education they so richly deserve, to return to the land and take up food production.

This bill represents an important step forward in encouraging young people to take up the production of food, for the benefit not only of this country but of all the world. I have talked to the Minister of Agriculture about this bill, and I believe him when he says that this is one of the best pieces of legislation he has ever presented to this House because it will enable him to induce young people to take up farming. The minister can say to them, "Your country needs you as farmers. You can provide a service which will be of benefit to your country and to the world. This legislation, together with the farm stabilization bill, will assure you of a place in our country's future."

An hon. member participating in this debate said that the average age of farmers in his constituency is 57 years. In some constituencies the average age is even higher. We are fast approaching the time when many of our farmers will want to retire, as they deserve to do. They have worked long and hard. Our farmers are unlike any other people because they do not work by the clock; they do not even work by the sun. They work as long as necessary, doing what must be done in fields and barns. We can now say, "You have the right to retire because young people will enter farming." They can take up the business of agriculture without dragging their fathers, grandfathers and uncles into debt with them. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) touched on this point.

That part of the bill which will allow prospective farmers to work in the labour force for five years and then take up full-time farming is especially deserving of praise.

Most members of this House come from some type of farm background, even though many of them do not represent rural ridings. Many come from a stable, farm-oriented background, including the hon. member for Perth-Wilmot (Mr. Jarvis), and the hon. member for Don Valley (Mr. Gillies) who comes from my area of the country, and is one of our most honoured citizens.

Some hon. Members: Hear, hear!

An hon. Member: I hope the record shows the applause.

Mr. Douglas (Bruce): If the *Hansard* reporters are doing their job, I am sure it will.

[Mr. Douglas (Bruce).]

This bill will also enable the minister to do certain other things. For instance, it will be possible to review mortgage rates from time to time, and to set mortgage rates at levels with which young people can live.

The new chairman of the Farm Credit Corporation, whose appointment was announced some time ago, is a man of great competence and far-reaching ideas. He considers the farm credit legislation as being most important in ensuring that young people who go on the land have an opportunity to obtain what should rightly be theirs. This gentleman has been involved with many administrations, including that of the present federal government, and has performed all kinds of services.

I point out, in closing, that the Farm Credit Corporation has a strong champion in the person of Brigadier Rutherford, who was one of the first to espouse the concept of farm credit legislation and who said recently that the minister's proposals are a step in the right direction, a step we sorely need. I urge all members to consider this legislation as representing an important step forward for the future of Canada, Canadians, and agriculture, and to give it their wholehearted support.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I am pleased to participate in this debate. When the Minister of Agriculture (Mr. Whelan) visited my riding some weeks ago he spoke of this legislation and hoped the opposition would not delay its passage. I have waited for it patiently and am glad that we can debate it today. The people of my riding enjoyed his visit, as did I.

As I have been personally involved in a farm operation, I can say with truth that farming requires management skills and capital. But, as well, many unknowns and variables enter into agriculture, and young farmers must be willing to allow for these variables. Fortunately the Farm Credit Corporation legislation provides for flexibility. This is necessary, as farm input costs are increasing rapidly.

People often comment on western farmers receiving, as they say, a bonanza of hundreds of millions of dollars for sales. That money is not really a bonanza, as the farmer has to pay ever increasing costs in order to grow his crops. Every farmer knows this is so.

Remember, as well, that when a young man takes up farming he must often live in an isolated area of the country where he will not have access to recreational amenities such as are available to people living in urban areas.

● (1530)

All these things are faced by a young man as he ponders going to the Farm Credit Corporation to get a loan. This is why I believe the government has to provide some incentives to young farmers getting into agriculture, in the same way it is providing incentives to industry. It is only right for the government to increase the limits for young farmers. However, it must also be concerned about the ability of the farmer to repay a loan.

I support the proposals put forward by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). One proposal was to allow a young farmer to back his loan on the basis of the potential production of his land. He could

defer payment in a bad year and make a payment in a bumper crop year. It is important that a young farmer getting into agriculture should know that in a bad year he will not lose his farm and the amount of work he put into it.

Young people getting into agriculture today are burdened by debt. The initial financial outlay for land and machinery is increasing rapidly. The Farm Credit Corporation must realize that land around urban areas is generally the best agricultural land in Canada. However, because of the real estate value of the land the cost is escalating at a very rapid rate.

The Farm Credit Corporation allows loans on the assessed or appraised value of the land. However, that is not adequate. There are many examples of this in my riding. The assessed or appraised value of the land might be as low as $2,000 or $3,000 per quarter, but the land is selling in the real estate market for as high as $20,000 a quarter.

In and around the city of Edmonton the appraised value of agricultural land is $35,000, but the real estate value is upwards of $100,000. The land is productive. That is why I feel that the corporation must look at the potential productive value of the land. If 70 bushels of barley per acre have been grown for a number of years, that should be the base on which loans are made. It is not adequate to operate on the appraised value of the land.

Many young farmers come to me as their member of parliament. They complain that once the Farm Credit Corporation looks at what they propose to pay for land, it says it is too high and turns down any loans. If the loans were made on the potential productive value of the land it would be more fair and reasonable for young farmers trying to get into agriculture.

Some weeks ago I presented a private member's motion. I am sure the minister is familiar with it. I made four proposals. I do not intend to go into them in detail now. One proposal was with regard to deferred interest payments during the initial period. This is important to a young man going into agriculture. If in the first two, three or even five years he can pay back a certain amount of his principal without any interest, it will be reduced dramatically. He could then pick up the deferred amount of interest.

In the first few years a young farmer requires a substantial capital outlay. He may not have assessed all the input costs that come forward in the first few years of farming. If his interest were deferred he could put his profits toward the principal, and after a number of years start paying the interest. That would be a great incentive to a young man looking at such a large outlay of capital.

The minister is proposing that the amount of a loan to a farmer be increased to $150,000. In many cases this may be adequate. However, many people in agriculture today look at it as an industry. In many cases an economically viable unit costs more than $150,000. I will give an example.

A farmer and his two sons in my constituency are prepared to go into a dairy operation. The operation, including cattle, barns, silos and land, will cost somewhere around $400,000. However, Farm Credit will only allow them the maximum $150,000 because, no matter how many people want to operate that farm, it is still considered as a single unit. In situation like this the minister should allow each man to borrow the maximum. In this case, which involves three men, they should each be permitted to borrow the maximum $150,000. This would permit them to have an economically viable unit which would provide an income for all three. They would not have to go to other lending institutions which often charge higher interest rates than the Farm Credit Corporation.

I wish to make another positive proposal with regard to Farm Credit. The provinces have been filling the gap where Farm Credit leaves off. If a young man is outside the regulations of the Carm Credit Corporation, he has no alternative but to go to the province and make a loan from the Agricultural Development Corporation, or something similar. What is good about the provincial farm programs is that they have set up appeal boards. These boards are made up of local farmers and can consider each case individually.

The Farm Credit Corporation should take a long, hard look at setting up what I would call zone appeal boards. Respected farmers who have long established farms could sit on the regional board which would consider young farmers on the basis of their potential. They would have the final say as to whether a man would be approved for farm credit. This has worked well in a number of provinces. Perhaps the Farm Credit Corporation could work in conjunction with the provincial schemes.

Another proposal often put forward by members on this side is that a farmer who has attended college and meets some requirements, such as increased efficiency or increased yield, should be given a reduction in interest for principal. It would be an incentive to young men entering agriculture to attend Manpower courses in order to increase their management ability and efficiency.

It is also necessary to open-end mortgages. Many farmers going into agriculture for the first time have to start with a small basic unit. As they progress they find it is in their best interest to increase the amount of land or livestock on their farm. However, because Farm Credit is a closed mortgage, they have to pay lawyers' fees and again go through all the red tape that was necessary for the first mortgage. Therefore, open-end mortgages would be a saving for farmers.

● (1540)

Another proposal is the setting of a definite maximum interest rate, as proposed by my hon. friend from Qu'Appelle-Moose Mountain, so that when a farmer looks at his loan he will know the interest rate will be a maximum of 6 or 7 per cent; it will never rise above that figure and he will never have to pay more, because if the interest rate goes down he would only be called upon to pay the lower rate.

We should take a hard look at these proposals in committee. In closing, may I say I believe this to be a good bill, one for which we have been waiting for a long time. I hope we can make it a still better one.

Mr. Bill Jarvis (Perth-Wilmot): I, too, join with my colleagues in welcoming this particular piece of legislation. It is something we have been hoping for all during

the twenty-ninth Parliament and through the thirtieth Parliament.

I do want to express one very real concern to the minister. It is my opinion that the legislation may be too late for this crop year. I do not wish to be pessimistic, but it appears to me, in practical terms, that by the time the legislation is in place it is doubtful it will have the impact I know the minister wants it to have, or indeed the impact those of us who are speaking to the bill want it to have in the 1975 crop year.

I know the minister is anxious to have the legislation proceed through the House as expeditiously as possible and passed on to the committee. But I know, too, Madam Speaker, that it is unreasonable to expect this. Having waited in excess of two and a half years for this particular legislation, and having sat all through the twenty-ninth Parliament with only one agricultural bill before us, we sympathize with the minister over the fact that agricultural policies are on the bottom rung of the priority list of the cabinet. We will do everything we can to assist the minister to improve that priority.

It would be interesting to attempt to deal with some of the detail of the bill, but I simply suggest to the minister that second reading is not the time at which to do it. I hope that in committee we will be prepared to discuss not just the technical aspects of the bill but such things as legal fees, a problem Farm Credit has ignored for far too long, open-end mortgaging, as has just been mentioned, refinancing, the regulations and guidelines Farm Credit representatives are operating under, valuation, and so on.

With respect to the maximum amounts of $100,000 and $150,000 as the case may be, I was interested to see in the last report of the Farm Credit Corporation that while the size of the average loan had increased substantially in the last fiscal year, we were still operating with average loans of less than $45,000. I have to ask myself, as I am sure the minister does, whether farmers want a loan of the maximum amount in the face of the intolerable burden of interest.

In other words, will more benefit be given to the larger farmer while the smaller farmer is continually facing more discouragement? This has certainly been the situation with respect to some farm policies, and indeed some Farm Credit policies. I hope that the minister and those of us in committee will have a long, hard look at this aspect because it seems to me that a large farm operation can take greater advantage of the maximum loans by spreading the burden over a much wider operation than its neighbour who is operating a small family farm.

The particular point I wish to make with some emphasis—and I will try to be as brief as possible—has to do with the price of land which has been mentioned in the report of last year from the Farm Credit Corporation. The president pointed out that farm land prices rose more in the year ending June, 1973, than they had in any previous year since records were kept, starting in 1910. He pointed out that in that year ended June 1973, farm prices had increased 17 per cent compared to an increase of 2 per cent in the previous year. The increases ranged from 21 per cent for Ontario to 13 per cent for Alberta.

[Mr. Jarvis.]

I don't think it takes any kind of a genius to see why they rose. Larger farms were obviously getting bigger which increased the demand for agricultural land. There was another very disturbing demand for land for non-agricultural use by the non-agricultural buyer—the pressures on city dwellers were such as to encourage them to move into rural areas. There was the obvious demand by land speculators. Then again, I think likely the largest demand with which we have to come to grips is the purchase of farm land by individuals who are not speculating but merely investing as the best possible hedge against inflation.

Finally, increasing the demand for agricultural land have been the actions of government itself. I think that all of us realize that Pickering is a prime example because so many farmers from the Pickering area—good farmers—have moved into my area and I am sure into the area of the hon. member for Bruce (Mr. Douglas), where they have bought land at prices which, in the opinion of our farmers, were simply not competitive. They have been able to do so because the Pickering farmers had the funds with which to purchase the land at those inflated prices. While I am reluctant, indeed almost afraid to quote Mrs. Plumptre to the minister, I thought the statement she made about the loss of farmland at Pickering was one which the minister and I could both regard with sympathy.

With respect to the supply of land I would also point out to the minister that according to some experts—and I have heard all kinds of figures as I am sure he has—we are losing the prime land of southwestern Ontario due to the expansion of urban areas at the rate of 28 acres per hour.

I simply have to ask myself and the minister: what will this bill do? In isolation it is a good bill. In terms of farm credit it is a good bill. But in the larger context of land use and total farm quantity I have some very serious reservations. There are those who say to me, and I am sure they have said the same thing to the minister, that higher ceilings on Farm Credit Corporation mortgages are in themselves inflationary in their effect on farm land prices. I do not think these statements come from irresponsible people or from people who have not studied the problem. If we increase the limit of a Farm Credit loan I think we should ask ourselves very seriously: is this, in itself, likely to be a factor in increasing the price per acre of our farm areas, particularly in southwestern Ontario? I am sorry I cannot suggest to the minister what the answer to these questions is, but in the larger context of the farm economy that it is something with which we have to come to grips.

I was very impressed, I believe it was in the twenty-ninth Parliament, to see either in the Speech from the Throne or in the budget speech, a whole paragraph devoted to the government's concern regarding land use. It went on to say that there must be consultation with the provinces. What disturbs me, is that since that time we have not heard one word about that particular problem in the federal context, and I do not think that we can solve a problem simply by increasing farm credit limits when we have that tremendous albatross of increased demand, lower supply and speculation around our necks. Until we get to grips with the larger problem the minister will be coming back to this House repeatedly with bills such as this simply to catch up with events.

I greatly welcome this provision for younger farmers. I think it is absolutely necessary. But I suggest to the minister in all seriousness that in large part this is simply a catch-up bill. If we continue with 17 per cent as the rate of inflation in farm and prices annually, the minister will have to come back almost annually to give us higher limits. I do not think that is attacking the heart of the problem.

Mr. Jake Epp (Provencher): Madam Speaker, in the few minutes remaining to us I should like to discuss one or two points with respect to the Farm Credit Corporation. At the outset I would say that Bill C-34 has my entire support. I welcome the fact that it is before us today. I should like to see it become law and be proclaimed at an early date.

● (1550)

I should like to mention the need for capitalization, about which a number of members have spoken today, as well as the need for risk capital for young farmers. I should like to relate my remarks here to a specific problem in Manitoba. I echo the words of the hon. member for Perth-Wilmot (Mr. Jarvis) when I say it is my view that even more money should be placed in the hands of the Farm Credit Corporation for loans to young farmers. I say that for this reason. In Manitoba in the last month we have run into serious difficulty as a result of the operations of the Manitoba Agricultural Credit Corporation. As has been mentioned, a number of provinces have set up provincial agricultural corporations, not necessarily to supplement but to increase the amount of money available to farmers for farming purposes.

What is happening in Manitoba now is that farmers are reacting by asking me whether it would be possible to increase the amount of money available from the Farm Credit Corporation, not only through Bill C-34 on an individual basis, but the total amount of money made available. These farmers are not able to get sufficient money, and so are forced to apply for a loan to the Manitoba Agricultural Credit Corporation.

Within the last six weeks the Manitoba government came out with a white paper called "In Search of a Land Policy for Manitoba". In support of this paper the NDP government created a strawman in Manitoba by saying acquisition of land is so rampant in the province that land is being taken away from the farmers. This strawman was stripped during the first five minutes of a public meeting held by the farmers of Manitoba. What became very clear to them, and what has become very clear to the people of Manitoba, is that this strawman put up by the NDP government was not fear of foreign ownership but fear of government ownership of farm land.

According to their own statistics, approximately 93 per cent of all agricultural land in Manitoba is owned by Manitobans who are active farmers. The problem is that the average age of these farmers is well into the fifties, so more money must be made available to young farmers. Of the remaining 7 per cent, 4 per cent was held by Manitobans living in Brandon and Winnipeg; roughly 2 per cent was held by Canadians not resident in Manitoba; approximately one per cent of the agricultural land in Manitoba was owned by foreigners. That was their strawman, Madam Speaker and, as I say, it took the farmers about five minutes to figure that out. They are now asking me for more money from the Farm Credit Corporation so that they can get a loan based on business principles. They want to meet their obligations, but they do not want to compete with the government on ownership.

This very insidious plan of the Manitoba government is actually raising the price of land that farmers want to buy. For example, a farmer in my riding had made a verbal deal with another farmer to buy land at $130 an acre. A representative of the Manitoba Agricultural Credit Corporation approached this farmer, opened his little black book, and said: "We will pay you $140 an acre". So who do you think got the land, Madam Speaker? That is the kind of problem we are facing in Manitoba.

Then there was the case of a young farmer who wanted to get into farming. Here I commend the minister for the clause that allows a person to work for five years and become the eventual owner if his principal occupational activity is farming. This young man had a loan from the Manitoba Agricultural Credit Corporation, and like many young farmers he needed operating capital. He then asked for an additional loan and they told him to come back two days later, which he did. They then told him, "We think you should double the amount you have asked us for, but we will buy your land. We will take the equity you have in your land at the present time and then we will give you your operating capital". Then five years later he has an option to buy it back, but during this five years he leases it, pays for it under the leasing arrangement, and pays the property tax. At the end of the five years he pays the total accumulated tax or interest. On top of that he has to finance any improvements he makes on the land within the five years.

In conclusion, I agree with the minister—though I sometimes feel he exaggerates his own importance in this matter—that we have a moral obligation as Canadians to increase food production. There is a starving world out there. As I have said on many occasions, we cannot expect the farmers to finance the surplus. But let us get more money to our young farmers and avoid land ownership by government which takes land out of production and too often increases the price of food and land in Canada. To my way of thinking this is entirely contrary to the personal incentives that have built up rural Canada.

Motion agreed to, bill read the second time and referred to the Standing Committee on Agriculture.

The Acting Speaker (Mrs. Morin): It being four o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills, private bills. Is it agreed that we stand all the motions previous to motion No. 21?

Some hon. Members: Agreed.

Cultural Centre

PRIVATE MEMBERS' MOTIONS

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

SUGGESTED ESTABLISHMENT OF CULTURAL CENTRE

Mr. Robert Muir (Cape Breton-The Sydneys) moved:

That, in the opinion of this House, the government should give consideration, through its Crown corporation, the Cape Breton Development Corporation, to establish on Cape Breton Island a cultural centre that would provide to the many and diverse ethnic groups and native peoples who reside in the area a vehicle to further develop their individual cultures in an atmosphere that would assure the full development, potential and appreciation of such culture by all those who reside on Cape Breton Island.

He said: Madam Speaker, at the outset I should like to express publicly my sincere thanks to the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) and his staff for making some changes and arranging that this motion appear at this time before the House; they have been most co-operative. You have read the motion, Madam Speaker, which I feel is self-explanatory.

Mr. Knowles (Winnipeg North Centre): And should be passed.

Mr. Muir: As the hon. member for Winnipeg North Centre (Mr. Knowles) interjects, we hope the motion will be allowed to pass without dissent.

The present preservation of this nation is almost completely reliant upon the development, protection and promotion of the multicultural character of our people. For some time now it has been my belief that a more tangible method of retaining and projecting the tremendous contributions made by residents of Cape Breton Island has to be developed. It is my view that the best possible manner of meeting this challenge would be the establishment of a cultural centre in Sydney, Nova Scotia, or in the district.

Mr. Stanfield: What about North Sydney?

Mr. Muir: My leader asks, what about North Sydney? That is a question for those knowledgeable to decide, but such a cultural centre, I should think, would have to be in a location that would enable the greatest number of people easy accessibility.

The Acting Speaker (Mrs. Morin): The hon. member for Edmonton Centre is rising on a point of order.

● (1600)

Mr. Paproski: Madam Speaker, there is a problem with the simultaneous interpretation. They are carrying on a little conversation and we cannot seem to get the hon. member's voice. We really do not want to take part in that conversation going on in the interpreters' booth.

The Acting Speaker (Mrs. Morin): I am sure the problem has been taken care of now.

Mr. Muir: I did hope that my colleague, the Secretary of State for External Affairs (Mr. MacEachen), would be here to assist me today as he is very fluent in the Gaelic language.

[The Acting Speaker (Mrs. Morin).]

The Cape Breton Development Corporation has shown a great deal of leadership, not just in programs associated with developing an economic stability on the island, but also in making residents aware of our cultural heritage. Because of this fact it would seem to me that if Devco were to give leadership in the establishment of such a centre it would find ready and willing allies in the many cultural and ethnic groups that exist now and have existed for many years in Cape Breton.

We have a long and exciting history in Cape Breton, which began with the landfall of John Cabot at Cape North in 1497. We have attracted people from almost every part of the world and of almost every ethnic extraction ever since.

Canadians of Scottish origin, like myself, take a great deal of pride in the fact that we have a very active and vigorous Gaelic Society in Cape Breton. We are also extremely proud of the Gaelic college of Celtic folk arts and highland homecrafts at St. Ann's. This college was established by the Cape Breton Island Gaelic Foundation in 1939, and it holds the unique position of being the only one in North America. It is said that Nova Scotia is the cradle of Celtic culture in the new world. Students from across Canada from every province, as well as from every state of the United States and from around the world, come to Cape Breton to study at this college as it offers courses in the Gaelic language, piping, drumming, highland dancing and weaving.

We cannot and would not want to denigrate the extremely valuable contributions made daily by the Cape Breton Folk Arts Council, the Industrial Cape Breton Multi-Cultural Association, the Irish Benevolent Society, and in the Ukrainian, Polish, Italian, Lebanese, Greek and Chinese communities, to name a few. They all actively pursue their cultural traditions which enrich our lives. Equally as important are the activities of the Black Cultural Club at Sydney Academy, and the Black United Front. The Union of Nova Scotia Indians plays an effective role too, probably because the Eskasoni Indian Reserve is the largest such reserve in the province of Nova Scotia.

It may seem strange to this House to have me say that the original coal miners of Cape Breton were from France. They came, they stayed, and they are with us today—not the same coal miners but their descendants. Their ancestors are busily engaged in promoting their culture and their language. As an example of just how long the French have been in Cape Breton and involved in coal mining let me read you an excerpt from a book entitled "First Things in Acadia":

Captain Poulet mentioned coal in Cape Breton in a report to the French king, and one vessel, La Bretonne, carried a cargo to France in 1687.

Incidentally, the first Jesuit mission in North America was located at a place, strangely enough now called Englishtown, about 40 miles from my own home.

We also have the reconstruction of the Fortress of Louisburg by the Department of Indian Affairs and Northern Development. This amazing and exciting project recognizes the value of the contributions by both the French and the British in the founding of this nation. I must say that it still gives me a tremendous amount of

pleasure and personal satisfaction to have been a member of the government party when the right hon. member for Prince Albert (Mr. Diefenbaker) was Prime Minister, as it was that administration that saw the merit in the recreation of this fortress which will be an everlasting tribute to our forefathers.

The mosaic of our cultural being is dependent upon our recognition of the history and traditions of our peoples. If we are to remain uniquely different from our United States friends we must at all times and in every way possible care for and cultivate the varied contributions that produce the inspiration for our uniqueness.

The proposed cultural centre would not only be a forum for creative expression by our ethnic and native groups, but it would also provide the incentive for a still greater development of our varied cultures that, when united, produce Canadianism, and we are all justly proud of being Canadian.

It is my hope that as a result of this debate Devco will initiate, through its able officers, a program to spearhead the establishment of a cultural centre in Cape Breton, both financially and through their leadership, so that tomorrow Cape Breton will be a better place in which to live, and so that we may all get to know each other better by learning of the customs and traditions of our neighbours. This would be of fantastic value, not just to Cape Bretoners but also to all the visitors from across this land and around the world who come to visit Cape Breton.

The suggestion that federal funds be used for a cultural centre is not new or innovative. The National Arts Centre in Ottawa and the Confederation Centre of the Arts in Charlottetown were both funded to a great degree by the federal government. It is also my understanding that public money has been used for such projects in other parts of Canada.

This month an ethnic festival was held in Sydney at which there were 12 different performing groups. A very successful evening was held. I look forward to the day when I can walk into a cultural centre in Cape Breton, dedicated to the multi-culturalism of this nation, and listen to the "Men of the Deeps", who have performed all over Canada and in the United States, comprised of coal miners of many ethnic origins.

I look forward to the day when I can watch the "Stornaway Scottish Dancers", see the "Irish Folk Dancers", hear the "Young Gaelic Singers of Big Pond", observe the "Ukrainian Dancers of Sydney" and enjoy "Lee Cremo", a Micmac fiddler or, if you wish to be a little fancier, violinist, although there is a controversy as to whether you are playing a violin when you are fiddling. In any event, Mr. Cremo is a Micmac from the Eskasoni Reserve who has appeared at international competitions across this country.

I look forward to listening to "John Allen Cameron", and I do not have to tell you who he is, and to tapping my toes to the "Cape Breton Calypso Band". Those are just a few that come to my mind, even though I realize there are numerous other extremely talented groups and individuals one might also enjoy. Maybe I would even be able to hear my colleague, the Secretary of State for External Affairs, a fluent Gaelic linguist, sing "Ho Ro Mo Nigh'n Donn Bhodheach", literally translated "My Pretty Fair Maiden". Maybe we could open this cultural centre in the presence of the right hon. Prime Minister (Mr. Trudeau). I look forward to seeing him wear his Elliott tartan kilt. I have been looking forward to that for a long time since it was presented to him, and I have not seen him wear it yet. That would be the occasion for him to wear it.

● (1610)

Before resuming my seat I wish to say how pleased I am to have had the opportunity of presenting this motion. I ask all hon. members present to give this matter their most careful consideration.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I am in a rather unenviable position this afternoon. I was asked to speak in this debate in support of the hon. member's motion. However, I cannot do that.

Mr. Paproski: Oh, shame.

Mr. Dionne (Northumberland-Miramichi): While I agree with the motion in principle, I cannot agree to it in practical terms. I realize and appreciate the importance of cultural heritage to many people, but I also realize—

Mr. Paproski: Are you against that?

Mr. Dionne (Northumberland-Miramichi): Just listen. I also appreciate the importance of some more basic needs, and I refer to the necessity of providing for the basic essentials of life and health. Many of our people in the Atlantic area are still struggling in the face of severe economic handicaps to provide food, shelter and education for themselves and their families.

Cape Breton is indeed fortunate to have the Cape Breton Development Corporation to enhance the economic development of that part of Nova Scotia. I suggest that it is unwise at this time to divert any of the attention of this Crown corporation from what must be its primary goal, that is, to bring about the kind of economic stabilization which has come to be taken for granted in other parts of our vast country.

Certainly in the area of New Brunswick which I have the honour to represent there are many problems of an economic nature which urgently require attention. If I am going to be a responsible representative, I must insist that these bread and butter issues receive priority consideration in the distribution of the federal budget.

I ask the indulgence of this House to expose for a few moments some of these problems and the continuing adverse effects we suffer because of the absence of solutions. That may not be the best way to say it because solutions to economic problems are always present. It only takes the necessary finances to solve them. The first and most obvious problem confronting us is our highways. Northumberland county probably has the poorest road system of any place in Canada. I am well aware that this is a provincial responsibility, but it is now a well established principle that the federal government will help to finance road construction.

Mr. Coates: Madam Speaker, while I appreciate that the hon. member for Northumberland-Miramichi (Mr.

Dionne) may have many constituency problems—and he is certainly a member of the government, which should be taking some action on them—I do not believe that this notice of motion is the time at which we should be hearing a speech associated with a matter relating to the constituency problems of the hon. gentleman. It is strange to me that I did not hear his voice when there was an opposition motion just a very short time ago regarding matters relating to CIDA, which deals with the expenditure of many millions of dollars of government funds which are spent outside Canada. He is worrying about the bread and butter issues of his constituency, but I do not think he is doing this House or the hon. member for Cape Breton-The Sydneys (Mr. Muir) any favour in presenting to this House a matter which is narrow and associated with something the hon. member waited a long time to raise. It is not fair that he should use private members' hour to discuss his constituency problems.

Some hon. Members: Hear, hear!

The Acting Speaker (Mrs. Morin): I thank the hon. member, but perhaps the hon. member for Northumberland-Miramichi (Mr. Dionne) is about to come to the reasons why he opposes the cultural centre or why he wants to agree with this motion. We will listen to the hon. member for a few more minutes.

Mr. Dionne (Northumberland-Miramichi): If the hon. gentleman who interrupted will just be patient for a few minutes, I think he will see what I am coming to, Madam Speaker. There are bread and butter issues, and I have no objection to CIDA helping those people who are struggling for bread and butter in other parts of the world. I am trying to point out that that is what I am coming to, so if I may, I should like to continue.

Mr. Muir: For the benefit of those who have not been here as long as others, I along with many hardworking representatives of the Atlantic provinces have been searching and working and speaking up on behalf of our people on bread and butter issues for many years. Man does not live by bread alone. He needs something else, and we want our share of it.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member knows very well that this is not a point of order but a point of debate. The hon. member for Northumberland-Miramichi.

Mr. Dionne (Northumberland-Miramichi): Madam Speaker, I hope to prove just what the hon. gentleman has been saying. It is a well established principle that the federal government will help to finance road construction in various parts of the country—that includes, incidentally, Nova Scotia—and not just my constituency. Indeed a special highways agreement was signed between Canada and New Brunswick less than two weeks ago, and of course we are very grateful for this federal assistance.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): It has not, however, done very much good in my constituency because the provincial government has consistently refused to apply any of those funds to our area. In modern society one cannot over emphasize the importance of a modern highway system, not only as a means of transportation for goods and services but also as a means to protect life and health in these days of high speed travel. When my people are suffering the effects of this deficiency, I cannot speak in favour of the allocation of federal funds for the building of cultural centres.

Today, well into 1975, we in my constituency still do not enjoy the cultural advantage of having decent television service. Indeed there are communities there which receive practically no service at all. They cannot even receive a signal. Those of us who can receive a signal have two choices: we can watch the one channel, which is obsolete in its equipment, or we can watch nothing. For ten years we have been fighting for an alternate service, and we are always told that it is a question of money. However, it has never been suggested that we be given in our area a lower rate schedule in our income tax to compensate for the services denied us but which other parts of Canada take for granted. I cannot support financial outlays for cultural centres when my people have such primitive television service. We do not even have access, for instance, to FM radio.

Our economy depends on a base in which there is far too little diversification. It is predicated almost entirely on the exploitation of natural resources, either from land or sea. Almost without exception our precious resources are being shipped from our midst in a raw or semi-manufactured state. Why should this be so? Do we not have the talent and ingenuity to carry out these labour intensive stages in the utilization of our natural resources? Must we look forward forever to being providers of raw materials and buying finished products back to keep foreign and upper Canadian industrial wheels turning? I cannot agree to funding cultural centres while we do not have all the opportunities for employment we require.

Only last week I learned of a rather drastic cutback in the number of armed forces personnel stationed at CFB Chatham. For some areas of Canada this might seem an insignificant development, but for our area it is a real economic blow because our small service industry is very much dependent on these people as customers. When we have so delicate an economy that the transfer of 200 military personnel is a serious matter, we must get to work to develop that base upon which we depend for all our physical needs.

We hear a great deal about the Atlantic fishery from time to time. I know our Minister of State (Fisheries) (Mr. LeBlanc) is keenly aware of our problems and is actively seeking solutions to them. But a rationalization of the Atlantic fishery is a far higher priority to me than the establishment of additional cultural centres. If there are any extra federal dollars floating around let us put them where they would provide the basic necessities of life. Then we can look after our cultural heritage.

● (1620)

An hon. Member: Wait until the next election.

An hon. Member: Now on to the next topic.

Mr. Dionne (Northumberland-Miramichi): Just hold your horses. Madam Speaker, I subscribe to the view—

Mr. Coates: On a point of order, Madam Speaker, this is the second time on two successive Fridays that I have encountered the same thing. Liberal backbenchers have come into the House and used a notice of motion debate on a specific topic as an opportunity to make speeches that have no relationship at all to the topic under discussion. In this particular case the hon. member is attacking the government of which he is a representative. If we are going to have a private members' hour for which members prepare, and wait to have their subjects debated, I think the Chair must see that it is treated properly, and that hon. members do not speak from prepared texts, which are not supposed to be used anyway, and should insist that they talk about the subject before the House. The hon. member is not doing that.

The Acting Speaker (Mrs. Morin): The hon. Parliamentary Secretary to the Minister of Transport (Mr. McIsaac) on the same point of order.

Mr. McIsaac: Madam Speaker, I have not been in the House that long but I have already seen a few habits demonstrated across the way that I am sure do not comply with the rules. I suggest that the hon. member who was speaking in this debate was speaking on the point raised by the hon. member for Cape Breton-The Sydneys (Mr. Muir). He is trying to point out that there are alternative ways of spending moneys from that proposed in the motion. Surely that cannot be construed as straying from the point. He was making comparisons all the way through.

Mr. Maine: Madam Speaker, I take personal objection to the comments of the hon. member—

Mr. Coates: You should because you used my notice of motion last week to talk about atomic power.

Mr. Maine: That is exactly the point. The hon. gentleman was not intelligent enough to know that I was talking about his motion on the Bay of Fundy tidal power and did not appreciate that my remarks were relevant.

Mr. Reynolds: On the same point of order, Madam Speaker, I will not take very long. As a member from the west listening to these easterners debate, it seems strange to me that members on this side of the House did not once criticize the government, but the member from the other side who was supposed to be speaking on the motion spent half his time criticizing the government.

The Acting Speaker (Mrs. Morin): Is the hon. member for Northumberland-Miramichi (Mr. Dionne) rising to speak on the point of order?

Mr. Dionne (Northumberland-Miramichi): Yes, Madam Speaker. If I want to attack the government—which I have not done—

Some hon. Members: Oh, oh!

Mr. Dionne (Northumberland-Miramichi): —that is my prerogative. We are free on this side of the House.

Some hon. Members: Hear, hear!

Cultural Centre

Mr. Baker (Grenville-Carleton): Madam Speaker, in terms of the word freedom I wonder if the hon. member has had an opportunity to examine the debate on the question of privilege raised a few days ago by the hon. member for Kenora-Rainy River (Mr. Reid) when the hon. member for Windsor West (Mr. Gray), the former minister of consumer and corporate affairs, who had demonstrated his freedom had that freedom trampled upon by the parliamentary secretary.

The Acting Speaker (Mrs. Morin): I want to thank hon. members for their contributions but I should like to remind them that the motion is to establish a cultural centre. Is the hon. member for York West (Mr. Fleming) rising on the same point of order?

Mr. Fleming: I do not wish to prolong the matter, Madam Speaker, but with great respect toward the hon. gentleman who presented the motion, and to yourself and your wisdom in making a decision on this point, I might say that I heard the remarks of the member presenting the motion and found them sound. It was only after hearing the response of the hon. member on this side that some questions were raised in my mind. Surely that shows the value of debate, when it makes one have second thoughts about the problem before the House.

The Acting Speaker (Mrs. Morin): Order, please. If hon. members wish to continue discussing this point of order it is fine with the Chair, but I would point out that we are using up the time available for private members' business. If the hon. member for Northumberland-Miramichi (Mr. Dionne) wants to continue his remarks about the establishment of a cultural centre, whether he is for it or against it, we will listen to him.

Mr. Dionne (Northumberland-Miramichi): Madam Speaker, I have been trying to outline why I oppose this particular motion, and if hon. members would just take your advice we could get on with it. I will not be very much longer—

Mr. Coates: Can you find your place?

Mr. Dionne (Northumberland-Miramichi): No trouble at all-can you? Much is said about freedom, and I subscribe to the view that we live in the most free society on this earth. I submit to you and to this honourable House, however, that as long as there are festering sores of economic disparity on the body politic, the national spirit cannot be truly free. While any person is enslaved to a life of drudgery to earn his daily bread, his spirit enjoys no freedom.

Atlantic Canada is the oldest and, in many senses, the richest part of this great nation. We have given much to the building of this new nation in social, cultural, spiritual, political and economic terms. We appreciate the efforts of recent federal governments to close the economic gap, and the present government has done more than any other. We also need the equalization grants and the efforts of DREE, but we must continue our efforts—indeed we must re-dedicate ourselves to the eradication of the disparities of which I have spoken. To do that we must keep our priorities in proper perspective. We cannot afford at this time to dilute our efforts toward the development of a

sound, diversified and stable economy. If we do, we shall soon find ourselves wallowing in a sea of confusion surrounded by lost opportunities and broken hope.

If we lose our perspective, if we fail to order our priorities, if we spend our federal grants on social and cultural frills, we shall have betrayed our trust and subjected future generations to the same economic hardships through which the present and many generations of our Atlantic fellows have so steadfastly laboured.

I hope the hon. gentleman gets his cultural centre at some future time, Madam Speaker, but in my opinion it is the wrong project at the wrong time. As Marie Antoinette learned to her sorrow, you must not feed the people cake when they have no bread.

Mr. Baker (Grenville-Carleton): The Prime Minister (Mr. Trudeau) would have them eat something else.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I can understand a member from the maritime provinces, or indeed from the Atlantic provinces complaining about economic conditions in that part of Canada. I confess, however, that I find it a bit strange to hear a Liberal member doing this without realizing that in effect he is making the point that the federal government for far too long has failed to meet the needs of Atlantic Canada.

To suggest that because not enough has been done for the economy of the Atlantic provinces, for the unemployed, for the fishing industry of that area, for the various needs of the people, is a reason for not spending a few dollars on culture is more than I can understand.

● (1630)

The hon. member for Northumberland-Miramichi (Mr. Dionne)—I do not think I am doing him an injustice by repeating these words—complained about money being spent on frills, instead of on basic necessities. Good heavens, that is what the government has been doing for years all across Canada—spending money on all kinds of things that are not necessary, when basic needs like old age pensions, health services, housing and adequate employment are not being met. I did not object to the points the hon. member for Northumberland-Miramichi raised. I did not raise any point of order. I am surprised that he is not aware how completely out of touch he is with the shortcomings of the government which he supports.

I shall speak for only a few more minutes. I support the motion presented by the hon. member for Cape Breton-The Sydneys (Mr. Muir). I am as anxious as anyone, perhaps more anxious than many in this House, for dollars to be spent in places where they are needed, particularly in the field of old age pensions and other forms of social security. But, if I may quote my hon. friend who spoke on the point of order a moment ago, man shall not live by bread alone. I suggest that the concern for preserving the various cultures of an area like Cape Breton Island is a concern that this House does well to consider.

I am not as familiar with Cape Breton Island as I am with other parts of Nova Scotia, but I know enough of that island and I know enough of Nova Scotia to know that small as that province is, it is a place of many cultures. As one travels, for example, along the south shore from Halifax to Yarmouth, one moves within a very few miles from one type of culture to another.

My own people happened to live for a couple of hundred years in Barrington township, which is a little bit of puritan New England. To the east of Barrington township one runs into Shelburne, an intensely Loyalist area. Going further east, along the south shore you come to an area where the background is German. Going the other way you come to Tusket and Argyle, to Yarmouth and then on Digby. In each of these areas there are different cultures that make up the great province of Nova Scotia.

I believe that anything which helps the people of that province to preserve those cultures is all to the good. I should like to see the same kind of thing done on the mainland. Of course we who descend from the mainland of Nova Scotia have always had a problem trying to persuade the Cape Bretoners that there is a mainland. In any case, this is a good start and I am happy to give my support to this excellent motion.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am delighted to join in this debate and I support most heartily the motion before the House.

Having heard the kind speech of the distinguished and senior member, I am prompted to use the Gaelic phrase, Is shin uilig shin, and then move on to something else, because he said just about everything a member of parliament should say on the subject. I approve his emphasis on the multicultural background of Cape Breton, that place which we generous Prince Edward Islanders salute as the other island, an island of beauty and history.

Since biblical expressions seem to be in vogue this afternoon, this being Friday afternoon, such as that man does not live by bread alone, I must point out, of course, that we must live by bread. As a supporter of the government which did something about Louisburg Fortress and dealt with other vital issues by establishing the road to resources program and Atlantic provinces adjustment grants, let me say that, for those reasons, the right hon. member for Prince Albert (Mr. Diefenbaker) is and always will be very popular in the Atlantic region.

The hon. member who moved the motion spoke about cultural centres already established. May I say how very much the life of Prince Edward Island has been enriched by the Confederation Centre of the Performing Arts which was built with the assistance of the governments and the people of all provinces, and with the assistance of the federal government. The centre has added greatly to our cultural heritage and to the quality of our lives, and we cherish it. We regard it as a wonderful memorial to Charlottetown's finest hour, that day in 1864 when that beautiful city hosted the meeting of the Fathers of Confederation, from which sprang this parliament and this dominion.

If the hon. member had confined himself to just one of the great cultural ingredients of the area—I believe he excluded the English, although there are a few English in Cape Breton; I was not upset by the omission—he would still have talked about a tradition worthy of preservation. One of the greatest honours done me was when I was invited to speak to the Gaelic mod at St. Ann's, Cape

Breton Island. I was introduced by my colleague who moved this motion. I ran into a certain hard aspect of the Scottish heritage. I had checked out of my motel, near St. Ann's. As I was to be guest speaker I had assumed that I would be put up at St. Ann's, but my assumption proved ill founded. I discovered that no such thing was contemplated and I had to hustle back to my hotel where I was lucky enough to be given a room. Clearly, Scottish frugality has not left the people of Prince Edward Island or of Cape Breton.

That any member from the Maritimes should find this motion not acceptable is beyond comprehension. After all, because of confederation—and we knew from the beginning that this might be so—we have been deprived of many commercial and economic advantages which are available to the larger community of which we are proud to be one part. In many ways we have grown accustomed to economic disadvantage. But that, surely, is no reason for someone to suggest that we should cut down on our cultural aspects of life. Even though the great and perhaps lamented Walter Gordon suggested, when a royal commissioner, that Maritimers might be better off moving out of the area and looking for jobs elsewhere, he saw a certain quality of life down there. This motion seeks to preserve that, and to honour and enlarge the cultural contribution which has been made by that fine and beautiful part of Canada.

Hon. members can visit Prince Edward Island on their summer holidays and then take the Wood Island ferry to Nova Scotia and visit the mover of this motion. I am sure that they will receive fine hospitality in both these fine communities.

Nova Scotia has produced some good men. Some of our greatest men have come from Cape Breton. I suppose every one of us can think of the four great public men who have come from Nova Scotia. They are Joseph Howe, Charles Tupper, Angus L. Macdonald and Robert Stanfield. The one who came from Cape Breton was a man of great presence, great charm and great wisdom. I remember two things about Angus L. Macdonald, which gladden my heart. When Ramsay Macdonald, the Prime Minister of Britain, came to Halifax on his way to Washington, he was greeted by Angus Macdonald in Gaelic; but the man from Scotland did not know a word of Gaelic although the man from Cape Breton knew it well. I do not think there is much wrong with a man who was too busy in Canada to attend the coronation of the King in London but who, a couple of months later, found it possible to spend three weeks at a Gaelic mod in Edinburgh.

Mr. Knowles (Winnipeg North Centre): Even if he was a Liberal!

● (1640)

Mr. Macquarrie: We can support members like my colleague who has directed us to some of the important things, things which will last longer than the most sturdily built road or the best constructed building, things of the heart, things of the spirit.

This is an area in which Canada has been far, far too reluctant to move. We have allowed things to leave the country. We have allowed historic buildings to be destroyed. It has only been a matter of two or three years since we did not do a thing when the beautiful home of Sir Robert Borden, which he occupied for a whole generation, was torn down and apartment blocks put up in its place.

All across this country we find that historic sites have been wrecked, ruined and forgotten. Any move that this parliament makes to support the people who are interested in the heritage of Canada, who want to enrich our cultural appreciation and enlarge our historic dimension, people like the mover of this motion, should not be condemned. They should not be cast aside for not building roads or not bringing in enough bread and butter, but hailed as men of the future, men who can see these things which are eternal and significant in this great country of ours.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, I wish to enter this discussion briefly, not to make any pronouncement on what is needed most, a Cape Breton cultural centre or better roads, but in the broader concept of the cultural concerns and some of the things that I hope, if and when the cultural centre proposed by the hon. member goes forward, might be included in it.

What the hon. member is proposing is important now and will be much more important in the future. More and more Canada will be depending upon immigration for its population growth. Each one who comes to our shores will bring a new type of culture, a culture that every Canadian wants to see preserved, one which can be shared in a very real and meaningful way.

I agree wholeheartedly with the previous speaker who said thank goodness that at this point in time we are starting to have some appreciation of our culture and heritage. I have a particularly strong feeling about preserving heritage, our old buildings and old customs. Anything that adds support to this certainly should be commended.

I wish the mover of the motion had expanded a bit in terms of the concept of the cultural centre he was talking about. I am not entirely clear in terms of what conditions he might have on it. I would like to put forward my one concern in terms of the motion. It is really one that I spoke of in a debate during private members' hour last week. I refer to the role of crown corporations financing many concepts for which they are not really charged with the basic responsibility.

I am not totally knowledgeable, or even as knowledgeable as I should be with regard to the terms of reference of the Cape Breton Development Corporation. It may very well be within their jurisdiction that such a cultural centre would be something justifiable not only to finance but to operate and promote. If it should not be, I would have some concern about whether that should be the vehicle the hon. member would be promoting to bring this about. If it is not within their terms of reference, there must be other government departments, approaches or avenues that would be more concerned.

Mr. Muir: Madam Speaker, I rise on a point of order. I thank the hon. member for his comments. I am enjoying what he is saying. Just to clarify the situation, it is indeed that. They have engaged in the promotion of culture in a small way so far.

Mr. Milne: I think it is good that communities set up cultural centres, a place where people of various cultures and backgrounds can meet with each other and share their respective cultural heritages, working together for a better understanding of Canada's heritage.

In my constituency there are many different ethnic groups and cultural backgrounds. While I think it is a good approach to have a cultural centre such as this, we should be very careful that each group has a facility to keep its own culture and promote that, as opposed to having a large cultural centre which pressures cultural groups to blend together, perhaps losing some of the distinctive things we strive most to preserve.

In terms of the broader context of establishing cultural centres across the country, there are three needs. One is to preserve traditional customs and heritages. The second is really a language situation and the third is an educational centre for the benefit of people coming to this country.

As this is International Women's Year any cultural centre should be very attuned to the role of woman. That has not always been done. We tend to structure programs and so on to the benefit of the male. I feel that this year we should recognize this as an objective.

A cultural centre should not be the be all and end all. One of the very great strengths of this type of approach would be if a cultural centre had an extension program to reach out into the community and make its presence known. By that I mean a very large community in terms of the cultural needs they are preserving, the arts and crafts they are promoting.

Judging by many of the facilities which are perhaps not as large in scope as the hon. member is talking about, perhaps the ethnic group that originally promoted it, that knows about it and that uses it is not as large a factor in the community as it could be. An active promotional outreaching program should be a part of this.

Perhaps the hon. member is aware that in the city of Toronto there is an annual caravan program that is really a promotional program on behalf of each of the cultural and ethnic groups in the city. They invite the rest of the community to share that with them. It is a very successful program. It is the type of program that should be part of any cultural establishment or program.

Something that is perhaps apropos of what the hon. member mentions is that in many areas of the country new Canadians have great difficulty adapting to Canadian society. One of the greatest problems facing new Canadians is often an acquisition of basic skills in one or other of the official languages, whether English or French.

● (1650)

There is an active group in my own riding which spends a great deal of time helping immigrants to our shores to acquire language skills. One handicap often faced in such efforts is the lack of suitable facilities, the halls which are available are simply not suited to these purposes. This is an effort which is surely deserving of encouragement. I am sure the hon. member would agree, though, that close co-operation with provincial legislatures is required in this connection since we are dealing with an aspect of education, and every care must be taken to reflect the priorities and intentions of the provincial government involved.

The government services provided for new Canadians are badly needed, but we should remember that it is a long walk for these new arrivals to go to some of the official offices and talk about the things which concern them. I hope we might be able to establish centres of a type where these people could feel more at home in the presence of people at the official level who spoke their language and shared their traditions.

Many of us are concerned about the large numbers of immigrants who have come to Canada in the last 15 years or so and have not yet taken out citizenship. If citizenship judges were able to attend in centres such as I have described, it is probable that more immigrants would take advantage of the opportunity to become Canadians. We are all concerned, too, about manpower training and the upgrading of technical skills. It is possible that this work, also, could be carried out in such centres.

I am wholeheartedly in support of measures to preserve the customs and traditions which enrich our cultural heritage, and I approve the setting up of facilities where people from both sides of the border can share this inheritance. I hope that in due course a facility of this type will be built on Cape Breton Island.

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, I believe my hon. friend from Cape Breton-The Sydneys has contributed a great cultural event to a day which has been concerned with other things. It is very important that the movement he is attempting in Cape Breton should have the support of all members of the House as a matter of principle. We are looking at cultures which because of neglect, because of abuse, because of wrong headedness will soon be classed as endangered species.

When we consider cultural centres we might consider a cultural centre in the middle of Montreal because of the difficulty those who want to know the English language culture in Quebec are experiencing with respect to Bill 22. There will be an opportunity to debate that matter at some other time. It is heartening to know that we are so mature in Canada as to be mindful of the traditions of the past, traditions of excellence in literature, the arts and all the other things that made up our past. There is something worth saving. There was a society created in the early days of our history which is worth remembering and worth building upon. That is why, all over the country, buildings are being preserved, works of art are being dusted off, old ways are being revived.

In my own Township of Nepean in the riding of Grenville-Carleton we are now considering the establishment of a cultural centre, and I hope this will be representative of not just the two main cultures in Canada but of the many cultures which make this country so rich. I hope this will still the fives that emphasize only two cultures in this country and which are injuring the unity of confederation. I congratulate my hon. friend for emphasizing this concept, one which ought to be followed in every area of the country.

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Madam Speaker, I read the motion of my hon. colleague and I

agree with his suggestion although I doubt he has chosen the proper means of achieving his objective. What I mean is that the Canadian Secretariat of State already has a national policy on museums which, to my mind, could achieve the purpose of my colleague, that is, to set up a cultural centre on Cape Breton island.

Indeed, that museum policy, as announced in 1972 by the Minister of Communications (Mr. Pelletier), indicates clearly that in that year a credit of $750,000 was provided for local exhibition centres that would offer, to the public, travelling exhibits coming from larger museums or the national loan collection.

Government communiqués stipulated that the national exhibition centres had to be maintained by members of the communities they served, therefore, by native communities where they were to be established. Most of them should be set up in community centres or city halls which would but rarely have collections. They will feature mobile exhibitions composed of pieces from either important collections or the national loan collection created under this new policy.

Madam Speaker, I think my colleague should be invited to make his request under the program of the Secretary of State of Canada. In my opinion, we undoubtedly have programs meeting the cultural objectives that I support and my colleague has set forth in the proposal whose contents we are debating this afternoon.

[*English*]

The Acting Speaker (Mrs. Morin): It being five o'clock, the hour for private members' business has expired.

* * *

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): On a point of order, Madam Chairman, I wonder whether the Minister of Public Works and Minister of State for Science and Technology or the Parliamentary Secretary to the President of Privy Council can tell us what we are doing on Monday.

Mr. Reid: The items of business suggested are Bill C-10, the Prairie Grains Advance Payments Act, Bill C-43 dealing with the Law Reform Commission, Bill S-6 dealing with the Wheat Board, and the recent paper on immigration. That is not the order in which the items are to be called—the order is still subject to negotiation between the House leaders.

At 5.02 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 3, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

SUPPLEMENTARY ESTIMATES (D)

A message from His Excellency the Governor General transmitting Supplementary Estimates (D) with regard to sums required for the public service of Canada for the financial year ending March 31, 1975 and, pursuant to the provisions of the British North America Act, 1867, recommending those estimates to the House of Commons, was presented by Hon. Jean Chrétien (President of Treasury Board) and read by Mr. Speaker to the House.

[*English*]

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 59, I wish to move a motion to refer to committees the supplementary estimates which have just been tabled by my colleague, the President of the Treasury Board (Mr. Chrétien). It is a long motion which basically refers to the various standing committees the same type of items that were referred to the standing committees in connection with the main estimates. There is one exception, and that is that no items are referred to the Standing Committee on Finance, Trade and Economic Affairs because that committee is overloaded. Estimates which might have been referred to that standing committee are referred to the Standing Committee on Miscellaneous Estimates. I would ask if the motion could be considered as if read. It is in the hands of the leaders of the various parties.

Mr. Speaker: Order, please. Is there general agreement in that regard?

Some hon. Members: Agreed.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, is the minister going to continue his statement? Have we just heard the first instalment, or will he complete his statement on motions? If he is going to continue, I will wait before commenting.

Mr. Sharp: Mr. Speaker, I was going to make one or two other announcements about the business of the House, if that is in order. Then perhaps the motion could be put for referring the supplementary estimates.

There are seven allotted days remaining in this period, and I have suggested to the House leaders of the other parties that those days should be March 7, 10, 13, 14, 18, 19 and 20.

Mr. Baldwin: Mr. Speaker, I thank the President of the Privy Council (Mr. Sharp) for his statement, and I thank the President of the Treasury Board (Mr. Chrétien) for tabling this latest illustration of the practice by this government of the art of restraint amounting to further expenditures totalling $1.9 billion. I wonder if the government House leader would consider a departure from accepted practice, that is, dealing with supplementary estimates first and bringing in the main estimates at the end. That might be a more acceptable and far more informative way of proceeding.

● (1410)

It really is fascinating. We go from 1973-74 with a total of $20 billion, to 1974-75 with a total of $27 billion, some 17 per cent increase—no, Mr. Speaker, it will be far more than that. I was contemplating that even this government, acting at its best, would have kept these supplementary estimates down to some $600 million, but the President of the Treasury Board says this is it. It is $1.917 billion. No matter how you slice it, that is the total amount. That would then be some $27 billion, and if you relate that to the 1975-76 main estimates of $28 billion with a comparable increase, you are looking at a total of some $36 billion or $37 billion for a total of the main estimates of—

Mr. Chrétien: Mr. Speaker, I rise on a point of order. I tabled the estimates without making any comment. If the hon. member wants me to comment, I will have something to say. The procedure is that when we table the estimates, no comments are made. If the hon. member wants me to reply to him, I will be delighted to give him the details, but that is something that should be done in committee.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The President of the Treasury Board (Mr. Chrétien) raises an interesting point of order. The supplementary estimates were tabled by him without comment. That, of course, precluded the possibility of comment by opposition parties on the estimates themselves. However, the President of the Treasury Board was followed by the President of the Privy Council (Mr. Sharp) who simply moved the referral, but in so doing he made a brief comment about the business of the House and the allotment of opposition days. I think that opens up some commentary about the scheduling of business of that nature. However, in fairness, that commentary ought not to be directed toward the substance of the estimates, but to the business of the House. The President of the Treasury Board is absolutely right, no statement was made about the substance of the estimates. Something was said by the President of the Privy Council about the business of the House, and perhaps any comment should be confined to that.

Mr. Baldwin: I appreciate the point, Mr. Speaker. I can understand why the President of the Treasury Board would not want to make any comment about these estimates.

Some hon. Members: Hear, hear!

Mr. Baldwin: What I had to say was just preliminary to the proposition by the President of the Privy Council in recommending an innovation, which we accept, that the estimates be sent to the standing committees which are related to the particular items in question. That is a very good idea. It is particularly necessary because of the size and complexity of these supplementary estimates. That is the only reason I was making the comment.

An hon. Member: You are out of order.

Mr. Baldwin: If I can, without being out of order, use a comment made by the hon. member for Winnipeg North Centre (Mr. Knowles), when the main 1975-76 estimates were tabled. He spoke about the price of civilization; I have to say, "by gosh, the price isn't right here." The Minister of Finance (Mr. Turner), like Horatius at the bridge, restraining his impetuous colleagues in their desire to spend money worked wonders.

We will facilitate the passage of this motion. It is an excellent idea to get these estimates into the hands of the committees so they can do a better job. It is about time we did something to minimize the farce which takes place in this parliament in connection with the examination of estimates. This is not a partisan issue; there are feelings on the other side of the House too. I know the President of the Privy Council agrees with me, as does the hon. member for Winnipeg North Centre. A proposal has now been made before the committee on procedure which would allow members of the House, in their capacity as members of the committee of the whole, an opportunity to make a meaningful examination of the estimates. I hope not too many days will elapse before this proposition becomes part of the interim orders which will be proposed to this House.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the supplementary estimates were tabled without any statement being made, so it is not in order to make a statement in response to a non-statement. It is also clear that the motion to refer the estimates to the various standing committees is made under Standing Order 59 which, similarly, permits no debate. However, the President of the Privy Council (Mr. Sharp) did make a brief statement having to do with the business of the House, so perhaps I might comment briefly on that aspect.

We welcome the fact that the estimates are going to the same committees as the main estimates and we are pleased that the minister has now given us information as to which days in the balance of this semester will be opposition days. As the hon. member for Peace River (Mr. Baldwin) has pointed out, it is common knowledge that discussions are taking place regarding a change in our supply procedure, at least on a trial basis. One of the advantages of the change we shall probably make is that it would keep the government on notice—it will not know which of the departments will be called back to the House for examination here either in place of or in addition to the examination in committee. We shall do our part in the committees. We shall do our part here on the floor, as well.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in a few words I should like to say that I am very pleased to see, not only that nature is awakening but that winter is finally coming to an end. From the motions introduced today by the President of the Privy Council (Mr. Sharp), I see that the government has also come out of its sleep and really wants Parliament to work very arduously during the month of March.

A while ago, it was announced that there would be seven opposition days before the Easter break, and that in addition we would study supplementary estimates (D). Copy of it was just handed to me. I have not had a chance to even thumb through it. I see that several departments are concerned in these estimates. We will have the opportunity of studying them. In any event, I trust that we will not limit ourselves to the figures but that we will look in depth at the legislation so that the people can benefit from the advantages expected from these supplementary estimates as well as from other budgets previously introduced in this House.

For our part, we will co-operate wholeheartedly so that the business of the House can make quick progress, and we can give the people the impression not only that we want to manage the country seriously, but also that we want to do it in all honesty, and as efficiently and quickly as possible.

● (1420)

[*English*]

Mr. Speaker: The motion of referral which has been described by the President of the Privy Council (Mr. Sharp) was not formally read by the President of the Privy Council. May I take it that the House is agreeable to accepting the suggestion of the President of the Privy Council and that the motion will be printed in *Hansard* as if it had been read? Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

[*Editor's Note: The motion above referred to is as follows:*]

That the Supplementary Estimates (D), 1974-1975, tabled this day, be referred to the several Standing Committees of the House as follows:

To the Standing Committee on Agriculture:

Agriculture Votes 5d, 20d, 25d, L26d, L27d and 55d

To the Standing Committee on Broadcasting, Films and Assistance to the Arts:

Labour Vote 10d

Secretary of State Votes 15d, 20d, 35d, 60d, 70d, 74d, 80d, 85d and 90d

To the Standing Committee on External Affairs and National Defence:

External Affairs Votes 1d, 10d, L17d, L18d, L19d and 26d

National Defence Vote 1d

To the Standing Committee on Fisheries and Forestry:

Environment Votes 1d, 5d, 15d, L17d, 20d and 30d

To the Standing Committee on Health, Welfare and Social Affairs:

Consumer and Corporate Affairs Votes 1d, 5d, 15d, 25d and 30d

National Health and Welfare Votes 25d, 35d, 45d and 46d

Urban Affairs Votes 20d and L30d

To the Standing Committee on Justice and Legal Affairs:

Justice Votes 10d, 15d and 25d

Solicitor General Votes 5d, L16d, 20d, 25d and L30d

To the Standing Committee on Labour, Manpower and Immigration:

Labour Vote 1d

Manpower and Immigration Votes 5d, 10d and 15d

To the Standing Committee on Miscellaneous Estimates:

Finances Votes 1d, 16d, 17d, L18d and 20d

Governor General and Lieutenant Governors Vote 1d

Parliament Vote 5d

Privy Council Votes 5d and 20d

Supply and Services Votes 1d, 4d, L5d, L6d, 15d and 20d

Treasury Board Vote 5d

Industry, Trade and Commerce Votes 1d, L26d and L27d

National Revenue Votes 1d and 5d

To the Standing Committee on National Resources and Public Works:

Energy, Mines and Resources Votes 1d, 5d, L12d, 15d and 47d

Public Works Votes 1d, L3d, 5d, 20d and 25d

To the Standing Committee on Regional Development:

Regional Economic Expansion Votes 1d, L12d and 30d

To the Standing Committee on Transport and Communications:

Post Office Votes 1d and 5d

Transport Votes 5d, 15d, 20d, L30d, 35d, 45d, 55d, 60d, 68d, 75d, 80d, 85d and L125d

To the Standing Committee on Veterans Affairs:

Veterans Affairs Votes 1d, 5d, 10d, 20d, 30d, 35d and 45d

To the Standing Committee on Indian Affairs and Northern Development:

Indian Affairs and Northern Development Votes 5d, L16d, L24d, 30d, 35d, 40d and 80d.

* * *

IMMIGRATION

ENTRY INTO CANADA OF BRANKO MILOSIC—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I move, under the terms of Standing Order 43, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

The House requests the Minister of Manpower and Immigration and the Solicitor General to make available complete Department of Immigration and RCMP files on the Branko Milosic case with particular reference to any details that may be contained therein in regard to any connections with this case on the part of the hon. member for Hamilton East, and an explanation as to whether or not as a result of investigations made there was a recommendation made in regard to charges against said member and, if so, the reasons why this matter was never proceeded with.

Mr. Speaker: The House has heard the terms of the motion which is proposed pursuant to Standing Order 43. Is there unanimous consent to debate the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TERRITORIAL LANDS ACT

CORPORATIONS IN WHICH GOVERNMENT EMPLOYEES PROHIBITED FROM ACQUIRING INTEREST

Hon. Mitchell Sharp (for the Minister of Indian Affairs and Northern Development) moved the first reading of Bill S-20 (from the Senate), to amend the Territorial Lands Act.

Motion agreed to and bill read the first time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 41, 378, 534, 700, 767, 804, 891, 908, 1,044, 1,120, 1,131, 1,132, 1,133, 1,134, 1,142, 1,181, 1,219, 1,222, 1,238, 1,250, 1,270, 1,286, 1,306, 1,323, 1,342, 1,454, 1,466, 1,522, 1,555, 1,561 and 1,608.

Mr. Speaker, if questions Nos. 157, 617, 619, 712, 905 and 1,451 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 1,531?

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

[*Text*]

COST OF RENOVATING PRIME MINISTER'S RESIDENCES AND OFFICES

Question No. 41—**Mr. Coates:**

1. What has been the total cost to the taxpayers for renovations and the refurnishing of offices and residences that are available to the Prime Minister since the present Prime Minister assumed that office?

2. What have been the specific expenditures on renovations and refurnishing carried out at these various establishments?

3. Have other costs been involved in the renovations and refurnishing of these establishments and, if so (a) what are such costs (b) to which particular undertaking do they apply?

Hon. C. M. Drury (Minister of Public Works): 1. The total cost paid by Public Works Capital Region for renovations and the refurnishing of offices and residences of the Prime Minister, since April 1, 1968, is $403,048.

2. Prime Minister's residence at 24 Sussex Drive:

	Renovations $	Refurnishings $	Total $
1968–69	3,142	1,159	4,301
1969–70	1,873	2,153	4,026
1970–71	27,256	1,994	29,250
1971–72	10,942	5,047	15,989
1972–73	14,629	10,433	25,062
1973–74	122,341	65,684	188,025
1974–75*	18,963	887	19,850
	199,146	87,357	286,503

*Expenditures to September 30, 197 .

Prime Minister's summer residence at Harrington Lake

	Renovations $	Refurnishings $	Total $
1968–69	20,000	3,105	23,105
1969–70	—	271	271
1970–71	—	—	—
1971–72	—	369	369
1972–73	—	803	803
1973–74	953	60	1,013
1974–75*	—	—	—
	20,953	4,608	25,561

*Expenditures to September 30th, 1974.

Prime Minister's Centre Block Office

	Renovations $	Refurnishings $	Total $
1968–69	—	—	—
1969–70	—	—	—
1970–71	1,042	—	1,042
1971–72	28,319	41,733	70,052
1972–73	11,353	105	11,458
1973–74	5,193	—	5,193
1974–75*	—	—	—
	45,907	41,838	87,745

Prime Minister's East Block Office

	Renovations $	Refurnishings $	Total $
1968–69	468	—	468
1969–70	—	—	—
1970–71	2,228	—	2,228
1971–72	483	—	483
1972–73	60	—	60
1973–74	—	—	—
1974–75*	—	—	—
	3,239	—	3,239

*Expenditures to September 30, 1974.

[Mr. Drury.]

3. The Department of Public Works is not aware of other costs involved in the renovations and refurnishing of these establishments.

TRIANGLE PACIFIC FOREST PRODUCTS LTD. IN SLOCAN, B.C.

Question No. 378—**Mr. Brisco:**

1. With reference to Triangle Pacific Forest Products Ltd., in Slocan, British Columbia, has this lumber mill ever received a DREE grant for a salvage mill and, if so (a) for how much (b) on what date was the grant awarded (c) how many new jobs were to be created under this grant?

2. With reference to DREE grants, has any time limit been established on how long new men must be employed under the terms of grants that are awarded?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Yes: (a) The grant offered was for $127,779 and represented 15% of the new capital costs of the total project; (b) The offer of assistance was accepted by Triangle Pacific Forest Products Ltd. on July 4, 1972 for the expansion of their Slocan, British Columbia operations, which in part (approximately 38 per cent was related to a salvage mill; (c) The estimated number of on-site jobs which would be created by the expansion was 64.

2. Assistance offered for the establishment of new facilities or for new product expansion can in part be based on the new employment to be created. As the final payments on such assistance cannot be before 36 months or after 42 months of the commencement of commercial production, and as the amount of assistance on jobs is based on the average number of jobs, or the average wage bill, during years two and three after the commencement of commercial production, some control is maintained over the new employment during this period.

LIP PROJECTS RESEARCH ANTI-POVERTY AND PROJECT ALDERGROVE

Question No. 534—**Mr. Cossitt:**

1. What are all details of LIP projects known as Research Anti-Poverty and Project Aldergrove including (a) a full description of the nature of such projects (b) the amounts granted by the government (c) the dates projects were applied for (d) the names and addresses of all persons or groups appearing on applications (e) the names and addresses of all persons or groups recommending acceptance of applications?

2. Has the government investigated or been investigating these projects since April or May 1972 and, if so, what are all details of these investigations including (a) the reasons for same (b) the results of same (c) the present status of the situation (d) any connection by the Department of Justice with the situation and for what reason?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. (a) Please see Appendix A (attached); (b) Funds committed—Project Aldergrove, $34,381.00;—Research Anti-Poverty, $51,635.00; Total $86,016.00; (c) Project Aldergrove, November 26,1971; Research Anti-Poverty, December 8, 1971; (d) Project Aldergrove: 1. Michael Carson 12 Aldergrove, Toronto; 2. Margaret Brow 46 Aldergrove, Toronto; 3. Jacqueline Young 35 Aldergrove,

Toronto; Research Anti-Poverty: 1. Michael Carson 12 Aldergrove, Toronto; 2. Loretta Newell 375 Bleecker Street Apt. 104, Toronto; (e) The Department of Manpower and Immigration regards as confidential the names and content of all representations made to the minister of the department. Appendix A—Project Descriptions: I Research Anti-Poverty:—provided support services by; (i) establishing a secretariat for the use of poverty self-help groups throughout Ontario; (ii) organizing "Poor People's Conference" (January, 1972); (iii) researching governemental programs affecting the poor; (iv) preparing "Manual for Organizers" which provided advice on the formation of self-help groups and information on government programs; (v) producing an Ontario newsletter as an information link poverty group across Ontario; provided Community Education Services through a report on "Poverty in Ontario" prepared by low-income people from 18 communities throughout Ontario in which they analysed their own situation. II Project Aldergrove: alleviated unemployment of low-income persons or persons receiving social assistance; assisted these persons to participate in training programs which increased their knowledge of government; assisted these persons to participate in their own community affairs by providing information services and resources to the community; employed these persons in the community on projects such as day care, a free store, a community winter recreation program, a furniture refurnishing program, a small appliance repair program and a community organizing program.

2. Yes (a) Both projects were suspended when suspicion of financial irregularities arose. An investigation of the projects was initiated thereafter; (b) The irregularities were traced to totally inadequate bookkeeping. There was no evidence of illegal activity but the projects did not live up to the terms of their contracts which stipulated that adequate financial records must be kept; (c) After careful investigation of the matter, it was discovered that there was no evidence of criminal activity. The matter is now closed; (d) Yes. The Department of Justice provides the department with legal advice and advised regarding these cases.

NATIONAL DEFENCE—PERSONNEL AND SENIOR EXECUTIVES

Question No. 700—**Mr. Jelinek:**

1. What is the mother tongue of all officials in the senior executive category (equivalent to the SX category in the Public Service) in the Armed Forces?

2. How many of the officials in the senior executive category make over $25,000 per year?

Hon. James Richardson (Minister of National Defence): 1.

Rank	No.	Mother Tongue
General	1	French
Lieutenant General	6	English
Major General	22	English
	3	French
	1	German
Brigadier General	61	English
	13	French
	1	German
	1	Ukrainian

2. All.

REPORT ON NON-OFFICIAL LANGUAGES

Question No. 767—**Mr. Paproski:**

1. On what date will the report on non-official languages, a study commissioned by the Secretary of State in November 1972, be made public?

2. Would the Minister name the 70 recommendations made by the former Minister of State for Multiculturalism?

3. What recommendations have been implemented?

Hon. James Hugh Faulkner (Secretary of State): 1. A second draft of the final report on non-official languages has been received very recently. It is now being evaluated by the officials of the Department of the Secretary of State and its release is pending.

2. There is no record of the former Minister of State for Multiculturalism having made 70 recommendations. However, the Canadian Consultative Council on Multiculturalism has recently presented the minister responsible for multiculturalism with a report containing some 70 recommendations. When that report is published, in the near future, the recommendations will be included.

3. The government's response to the report will be indicated at the time the report is published.

NATIONAL ARTS CENTRE—SALARIES OF EMPLOYEES

Question No. 804—**Mr. Stevens:**

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by the National Arts Centre (b) what would have been their aggregate salaries if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Corporation?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the National Arts Centre as follows: 1.

As of March 31, 1968			As of March 31, 1970		
(a) 30	(b) $344,214	(c) (i) 5	(a) 75	(b) $706,281	(c) (i) 7
		(ii) 0	44	331,167	(ii) 0
		(iii) 0			(iii) 0
As of March 31, 1972			**As of March 31, 1974**		
(a) 187	(b) $1,536,651	(c) (i) 8	(a) 226	(b) $2,174,174	(c) (i) 14
* 46	558,141	(ii) 1	* 48	657,220	(ii) 2
		(iii) 0			(iii) 0

2.	As of March 31, 1968	As of March 31, 1970
	4 $20,000	1 $17,750—$22,500
	1 $19,000—$24,840	2 $19,750—$24,750
		1 $24,000—$30,000
		1 Contract $30,000

As of March 31, 1972	As of March 31, 1974
1 $20,000—$25,000	3 $26,800—$31,000
2 $25,500—$29,000	1 $30,250—$38,250
1 $28,000—$35,000	
1 Contract $36,300	1 Contract $44,000

*NACO Musicians on 44 weeks contract.

GOVERNMENT AIRCRAFT USED BY CABINET MINISTERS

Question No. 891—Mr. Hnatyshyn:

For 1973 to November 15, 1974 (a) how many separate trips were made on Department of Transport aircraft within Canada for the purpose of carrying one or more members of Cabinet to and from Ottawa (b) how many of these trips were taken by each member of Cabinet (c) how many miles were logged in each year (i) for all of these trips (ii) by each member of Cabinet?

Hon. Jean Marchand (Minister of Transport): 1. (a) Separate trips, 1228; (b) See attached list; (c) (i) 1973, 811,450; (ii) 1974, 623,565.

Name	1973 Trips	1973 Miles	1974 Trips	1974 Miles
Right Hon. P. E. Trudeau	32	29,450	13	7,952
Hon. M. Sharp	16	5,020	4	938
Hon. A. J. MacEachen	32	20,185	20	12,430
Hon. C. M. Drury	11	4,365	4	3,980
Hon. J. Marchand	61	38,830	49	19,974
Hon. J. Turner	19	15,750	11	14,233
Hon. J. Chrétien	55	34,985	37	26,585
Hon. B. S. Mackasey	—	—	1	410
Hon. D. S. Macdonald	46	38,840	16	6,441
Hon. J. Munro	51	16,335	41	37,205
Hon. G. Pelletier	18	10,315	9	13,854
Hon. S. R. Basford	33	52,315	17	36,115
Hon. D. Jamieson	49	61,985	28	30,605
Hon. R. Andras	29	25,965	20	15,897
Hon. J. A. Richardson	1	920	—	—
Hon. O. Lang	30	51,380	29	46,129
Hon. J.-P. Goyer	16	8,485	9	11,741
Hon. A. Gillespie	19	17,135	18	14,825
Hon. E. Whelan	67	49,330	46	37,554
Hon. W. Allmand	24	24,290	23	25,312
Hon. H. Faulkner	39	22,960	27	15,310
Hon. A. Ouellet	35	25,175	18	13,896
Hon. D. J. MacDonald	28	15,865	12	13,031
Hon. M. Lalonde	18	25,460	28	28,353
Hon. J. Sauvé	18	10,860	10	7,957
Hon. B. J. Danson	—	—	7	10,260
Hon. J. J. Buchanan	—	—	6	8,309
Hon. R. LeBlanc	—	—	2	4,880
Hon. J.-E. Dubé	19	12,605	5	3,760
Hon. H. Gray	29	17,790	18	9,985
Hon. P. Martin	17	6,430	12	4,690
Hon. S. Haidasz	27	22,050	9	10,549
Hon. R. Stanbury	14	16,180	1	205
Hon. J. Davis	6	9,250	3	5,880

DEPARTMENT OF VETERANS AFFAIRS—MOTHER TONGUE OF EMPLOYEES EARNING MORE THAN $20,000

Question No. 908—Mr. Herbert:

In reference to the answer to Question No. 142, how many of the 147 public servants in the Department of Veterans Affairs with a gross remuneration in 1973 in excess of $20,000 list (a) English (b) French (c) other as their mother tongue?

[Mr. Faulkner.]

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): (a) English, 110; (b) French, 23; (c) Other, 6; Struck off strength, 8.

MEMORANDUM CONCERNING LIP

Question No. 1,044—Mr. Cossitt:

1. With reference to the Local Initiatives Programme, what was meant by Mr. J. M. DesRoches, Deputy Minister of Manpower and Immigration in a confidential memo of January 30, 1973 to the Minister

of Manpower and Immigration, when he referred to the transfer of certain funds of the LIP programme in the following words "...funds to be transferred from training on the job or the ten million dollars set aside for private and entrepreneurial LIP"?

2. Were these specifically mentioned funds to be transferred to the regular LIP budget in order to help meet the cost of LIP projects approved for political reasons by or on behalf of the Minister of Manpower and Immigration?

3. (a) What was the exact amount of each transfer of the money made (b) on what date was it transferred (c) from what fund to what fund was it made (d) what were all the reasons for each transfer (e) who specifically authorized each transfer?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. The Department of Manpower and Immigration has no record of a memorandum written on January 30, 1973 by Mr. J. M. DesRoches to the Minister of Manpower and Immigration to this effect.

2. Not applicable.

3. Not applicable.

NATIONAL DEFENCE, ACCIDENT, BRIDGETOWN, NOVA SCOTIA

Question No. 1,120—Mr. MacKay:

1. What was the cause of the accident near Bridgetown, Nova Scotia on November 30 in which a militia vehicle was demolished and seven soldiers sent to hospital?

2. What is the condition of the seven soldiers at this time?

3. How old and of what type were the tires on the vehicle?

4. How old was the vehicle and had it received proper safety inspections prior to the accident?

5. How many tires were purchased for military vehicles during each year 1966 to 1974 to date?

6. What was the cost of replacement tires for each of these years?

Hon. James Richardson (Minister of National Defence): 1. According to preliminary investigation, and subject to a final joint RCMP/DND Inquiry, the cause of the accident was poor road conditions. Snow and sleet were falling at the time.

2. Five of the seven soldiers were released from hospital after receiving treatment of cuts, bruises and abrasions. The other two soldiers were hospitalized with broken pelvises. One has also been released and the other is expected to be released in the near future.

3. The tires on the vehicle were standards 2½ ton "Standard Military Pattern" snow and mud tires and preliminary police investigation has revealed that the tires were not a factor in the accident.

4. The vehicle was a 1956 model 2½ ton "Standard Military Pattern" which had last been safety inspected on October 10, 1974 and there were no outstanding repairs.

5. The number of tires purchased for the years in question is as follows:

Fiscal Year	Quantity Purchased
1965/66	8,083
1966/67	Nil
1967/68	5,464
1968/69	6,973
1969/70	4,424
1970/71	4,696
1971/72	7,385
1972/73	3,843
1973/74	3,858
1974/75	3,350

6. The cost of replacement of tires for the years in question is as follows:

Fiscal Year	Quantity Purchased
1965/66	$ 357,822
1966/67	Nil
1967/68	266,345
1968/69	302,877
1969/70	158,124
1970/71	225,235
1971/72	1,063,654
1972/73	168,591
1973/74	226,727
1974/75	262,260

REQUIREMENT OF SHIPS IN AND OUT OF CANADIAN PORTS

Question No. 1,131—Mr. Forrestall:

How many ships would be required to accommodate the movement (a) out of Canadian ports to foreign destinations (b) into Canadian ports from foreign destinations of 40 per cent of the present liner conference rated cargo?

Hon. Jean Marchand (Minister of Transport): Under Section 12 of the Shipping Conferences Exemption Act the Minister of Transport reports annually to parliament on liner conference operations. The latest report covered the calendar year 1973 and was tabled March 28, 1974. (Sessional Paper No. 292-1/367). As indicated in that report statistics collected demonstrated the necessity for closer control at the reporting source and for a refinement of interpretation. Appropriate means of satisfying these requirements are being developed with the cooperation of Statistics Canada. In the meantime, satisfactory statistics are not available on the liner conference rated cargo carried in conference vessels.

NUMBER OF SEAMEN REQUIRED OF SHIPS IN AND OUT OF CANADIAN PORTS

Question No. 1,132—Mr. Forrestall:

How many merchant seamen would be required to accommodate the staffing of the number of ships required to accommodate the movement (a) out of Canadian ports to foreign destinations (b) into Canadian ports from foreign destinations of 40 per cent of the present liner conference rated cargo?

Hon. Jean Marchand (Minister of Transport): Satisfactory statistics are not available on the liner conference rated cargo carried in conference vessels: (see reply to Question 1,131).

Order Paper Questions

TYPES OF CONFERENCE VESSELS SERVING CANADIAN PORTS

Question No. 1,133—Mr. Forrestall:

How many (a) general cargo (including passenger-cargo) (b) container type vessels were employed in the liner conference rated international inbound or outbound seaborne shipping to serve Canadian ports within the most recent 12-month period?

Hon. Jean Marchand (Minister of Transport): A statistical breakdown of Canadian port activity for the calendar year 1972 indicated that 452 different ships had worked within conferences during that 12 month period. Of these; (a) 394 ships could be classed as general cargo or conventional, although many of them would also carry containers; and, (b) 46 could be classed as specialized container ships, and another 12 as Roll on—Roll off (Ro-Ro) ships.

REGISTRY OF CONFERENCE VESSELS SERVING CANADA

Question No. 1,134—Mr. Forrestall:

Is the government aware of the nationality of the registry of those vessels serving Canada under liner conferences referred to and overseen by the Canadian Transport Commission according to the Shipping Conferences Exemption Act and (a) if not, for what reason (b) if so, within the most recent reported period, what was the percentage and number of these vessels registered in (i) Canada (ii) Japan (iii) Liberia (iv) Greece (v) Great Britain (vi) United States (vii) Norway (viii) Sweden (ix) Italy (x) Australia (xi) France (xii) other countries and, for each, what number and percentage were built in Canada?

Hon. Jean Marchand (Minister of Transport): A statistical breakdown of this type, made for the calendar year 1972, revealed the following information:

Flag	No. of Vessels	Percentage
Canadian	nil	nil
Japan	31	6.9
Liberia	19	4.2
Greece	9	2.0
Great Britain	52	11.5
United States	29	6.4
Norway	48	10.6
Sweden	11	2.4
Italy	16	3.5
Australia	nil	nil
France	4	0.9
Other Countries	233	51.6
Total	452	100.0

RECORDING OF CBC BROADCASTS FOR INSTRUCTIONAL PURPOSES

Question No. 1,142—Mr. Jones:

What steps are being taken to provide for free authorization to record CBC broadcasts "off the air" by a teacher or pupil for instructional purposes?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: A very detailed study has been completed and it will be possible to make certain arrangements for the distribution of some CBC braodcasts for use in schools and in other non-profit organizations. Some final arrangements have yet to be made, but CBC expects to be able to make an announcement in the near future.

LIP—PROJECT No. 311872

Question No. 1,181—Mr. Cossitt:

1. (a) What were all the details of Local Initiatives Programme Project No. 311872 (b) what were the names and addresses of all those appearing on the application and of all those who endorsed or recommended this project in any way?

2. (a) Was this project located in the constituency of London West (b) was it approved in the amount of $53,000 on February 15, 1972?

3. (a) Was the construction firm on this project Ellis Don Construction Limited (b) was the Department or the Minister aware as to whether or not this was the same Ellis Don Construction Limited mentioned in the *London Free Press* on or about July, 1973 as publicly stating that it had donated more than $10,000 in five years to the Liberal Party?

4. (a) In what ways did this project not meet the criteria of the Local Initiatives Programme (b) what were the names and job designations of all LIP personnel who pointed this out (c) what was the identity and job designation of the individual making the final decision to accept this project?

5. What was the name of the designated Regional Cabinet Minister under the Local Initiatives Programme under whose jurisdiction approval or disapproval of this project fell?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. (a) YMCA-YWCA—Bob Hayward Branch, Project No. 311872. Project Description:—Addition of a swimming pool and related facilities to the YMCA-YWCA branch building constructed in 1963. — The swimming pool was to be available to all, including handicapped people, at very moderate fees. — man-weeks —454; (b) Name of Sponsors: Mrs. Dorothy Dewar, President, London YMCA-YWCA, 56 Victoria Street, London, Ontario; Dr. Douglas Bocking, Dean of Medicine, University of Western Ontario, London, Ontario; Mr. John J. Halcrow, General Manager, London YMCA-YWCA, 433 Wellington Street, London 12, Ontario. The Department of Manpower and Immigration regards as confidential the names and content of all representations made to the minister or the department.

2. (a) No. (London East); (b) This project was approved for $53,001.00 on February 8, 1972.

3. (a) Yes; (b) No.

4. (a) This project met the basic criteria of the Local Initiatives Program; (b) Not applicable; (c) The final approval of all projects rested with the then Minister of Manpower and Immigration, the Hon. Bryce Mackasey.

5. Not applicable.

TOTAL COST OF CBC'S NEW LOGO

Question No. 1,219—Mr. Hogan:

What was the total cost of CBC's new logo including (a) design costs (b) advertising and publicity (c) change-over of stationery, etc.?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: Parts (a) (b) and (c). It has not been customary to require the CBC to supply such details of its internal management and administration.

ST. CLEMENTS, ONTARIO—POSTAL FACILITIES

Question No. 1,222—Mr. Beatty:

1. For what reason was the Village of St. Clements, Ontario, reclassified with respect to the provision of postal facilities?

2. Was a survey of future needs in the St. Clements area conducted and, if so, has this survey been made available for comment by the mayor and council of the Township of Wellesley?

3. How many new locations for a facility were considered before a decision was made concerning site selection?

4. On what date will a new building be opened replacing the temporary facility?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. A post office is classified according to the volume of work performed in that office. From time to time a volume of work survey is conducted. Such a survey indicated an increase in the workload of the St. Clements, Ontario, post office warranting a reclassification from group to grade status.

2. A survey of future needs was made and the matter was discussed with township council and township officials on several occasions.

3. The Department of Public Works provides the accommodation for "Grade" post offices. Three leasing possibilities and two trailer sites for temporary accommodation were considered. A permanent site has not yet been selected. Township council and township officials will be consulted.

4. Not known at this time.

OPPORTUNITIES FOR YOUTH PROGRAM—1974

Question No. 1,238—Mr. Marshall:

1. How many OFY projects were approved in Newfoundland in 1974?

2. What was the average cost per OFY project for the approval process in 1974?

3. What was the total cost of the OFY Programme in 1974 for Newfoundland?

4. How many jobs were created by the OFY Programme in 1974 in Newfoundland?

5. In 1974, how many (a) students (b) non-students were hired by OFY projects in Newfoundland?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): 1. 202.

2. 10 per cent of the total program budget, which was in the amount of $29.5 million, was allotted to administrative costs for the 1974 Opportunities for Youth Program. Administrative costs for the approval process alone are impossible to calculate either per project or for the total program.

3. $1,010,550.

4. 1,340.

5. (a) 1276. (b) 64.

CIDA—BUDGET AND EXPENDITURES

Question No. 1,250—Mr. Mazankowski:

1. What was (a) the total annual budget (b) the total expenditure for the Canadian International Development Agency in each of the past five fiscal years?

2. What was the total expenditure for CIDA, in each of the past five fiscal years (a) for outright grants (b) for loans to underdeveloped countries and developing countries?

Hon. Allan J. MacEachen (Secretary of State for External Affairs):

Canadian International Development Agency

	1969-70		1970-71		1971-72		1972-73		1973-74	
	Appropriation	Expenditure	Appropriation	Expenditure	Appropriation	Expenditure	Appropriation	Expenditure	Appropriation	Expenditure
1. Administration	5,765,400	5,736,301	8,204,000	8,039,640	9,158,365	9,156,737	12,265,607	12,189,776	16,222,800	15,892,231
2. Statutory vote —Pensions and Other Benefits	—	—	—	—	—	—	—	689,000	853,000	853,000
3. Grants and Contributions	173,204,000	164,459,757	197,955,265	*204,146,105	226,971,000	200,813,678	250,634,000	*256,299,630	284,484,000	278,982,295
4. Loans	137,000,000	81,124,746	150,000,000	113,944,396	145,000,000	143,096,539	173,066,000	165,379,593	201,184,000	*226,739,799
5. CIDA Annual Pledge to International Financial Institutions	1,081,080	1,081,080	738,608	738,608	791,688	791,687	16,800,000	15,299,450	19,361,000	**20,569,000
Total	317,050,480	252,401,884	356,897,873	326,868,749	381,921,053	353,858,641	452,765,607	449,857,449	522,104,800	593,036,325

Note: *Due to the non-lapsing nature of a portion of CIDA'S appropriations, the expenditures may exceed the appropriations in any given year.
**There is authority to exceed the appropriaiton on account of maintenance of value as well as exchange.

CBC—DEVELOPMENT AND PRODUCTION OF LOGO

Question No. 1,270—Mr. Hnatyshyn:

What was the total expenditure by the Canadian Broadcasting Corporation in the development and production of the new television logo?

Order Paper Questions

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: It has not been customary to require the CBC to supply such details of its internal management and administration.

RADIO ADVERTISING CAMPAIGN OPPOSING DISCRIMINATION

Question No. 1,286—Mr. Beatty:

1. What is the total cost to the taxpayer of the current radio advertising campaign by the Secretary of State announcing his opposition to prejudice and discrimination in Canada?

2. Is the Secretary of State considering a similar advertising campaign to express his opposition to (a) murder (b) treason (c) childbeating (d) larceny?

Hon. James Hugh Faulkner (Secretary of State): 1. Nil, provided as public service announcement by radio stations.

2. No.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE PERSONNEL

Question No. 1,306—Mr. Paproski:

1. How many full-time employees were under salary in the Department of National Health and Welfare on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1.

		1974	1975
1	(a) and (b) January 1	7637	8094
2	a	5116	4566
	b	1960	2735
	c	389	503
	d	172	290

NATIONAL REVENUE—DONORS OF THE SWIMMING POOL, 24 SUSSEX DRIVE

Question No. 1,323—Mr. McKinnon:

1. Will the donors of the swimming pool at 24 Sussex Drive be eligible under Section 110(1)(b) of the Income Tax Act to make a deduction in respect of the full amount of the donation?

2. Is the amount deductible in respect of such a gift exempted from the 20 per cent of the taxpayer's income limitation, which applies to charitable donations?

Hon. Ron Basford (Minister of National Revenue): 1. Yes. If a donation is made to 24 Sussex Drive that falls within Section 110 (1)(b) and a properly documented tax return is filed.

2. Gifts to Her Majesty in right of Canada are not subject to the limitation to 20 per cent of the taxpayer's income. This limitation applies only to those charitable donations which are deductible pursuant to paragraph 110 (1)(a) of the Act.

[Mr. Hnatyshyn.]

MEETING OF OFFICIALS OF PROVINCIAL DEPARTMENTS OF EDUCATION

Question No. 1,342—Mr. Herbert:

1. Will a report be made public of the meeting of officials of provincial Departments of Education convened on November 25, 1974 by the Department of the Secretary of State?

2. What were the reasons for or the objectives of this meeting?

Hon. James Hugh Faulkner (Secretary of State): 1. No, it is not intended that a public report of this exploratory meeting be made.

2. The reason for the meeting, attended mainly by representatives from provincial curriculum departments was to examine the question of the availability of French language textbooks and materials at the elementary and secondary levels, and to make recommendations concerning the courses of action that might be followed to provide a more adequate supply of French language educational materials in situations where French is the minority official language and is the language of instruction for academic subjects.

NUMBER OF PUBLIC SERVANTS WHO HAVE TAKEN LANGUAGE TRAINING SINCE 1968

Question No. 1,454—Mr. Allard:

1. Since 1968, how many anglophone public servants have taken French courses?

2. Since 1968, how many francophone public servants have taken English courses?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows:

		English Training	French Training
Academic years, September 1 to August 31	1969–70	818	4,206
	1970–71	765	5,798
	1971–72	1,118	7,133
	1972–73	1,634	8,713
September 1, 1973 to December 31, 1974*		1,544	9,414

*The Language Bureau changed its reporting base in 1973-74, in part to accommodate the advent of continuous/intensive language training.

NOTE: It should be noted that these statistics refer to those who took English or French training, not whether the participants were anglophone or francophone. Statistics are not kept on racial origins of the participants.

PEI—FERRY SERVICES

Question No. 1,466—Mr. Howie:

Are there any plans to expand the inter-provincial ferry service with new modern ferries for Prince Edward Island, Newfoundland, and to replace the Yarmouth ferry, *Bluenose*?

Hon. Jean Marchand (Minister of Transport): For the Prince Edward Island and Yarmouth-Bar Harbor services, studies are being conducted as part of the development of long-term plans but no definite courses of action have yet been approved. For the Newfoundland service, Cabinet approval has been given for the construction of two large fast passenger auto-truck ferries.

PRIME MINISTER'S AND PRIVY COUNCIL OFFICES

Question No. 1,522—**Mr. Cossitt:**

1. As of April 20, 1968, what was the total number of persons employed by or in any way connected with (a) the Privy Council Office (b) the Prime Minister's Office and what were the total annual salaries for such persons?

2. As of the date this question is answered, what is the total number of persons employed by or in any way connected with (a) the Privy Council Office (b) the Prime Minister's Office and what are the total annual salaries of such persons?

3. As of April 20, 1968, what was the actual or estimated cost of all operations of (a) the Privy Council Office (b) the Prime Minister's Office?

4. As of the date this question is answered, what is the actual or estimated cost of all operations of (a) the Privy Council Office (b) the Prime Minister's Office?

5. As of April 20, 1968, how many square feet of office space was occupied by (a) the Privy Council Office (b) the Prime Minister's Office?

6. As of the date this question is answered, what is the total number of square feet used by (a) the Privy Council Office (b) the Prime Minister's Office and what is the total number of square feet involved in any contemplated, planned or arranged expansion of each office?

Right Hon. P. E. Trudeau (Prime Minister): 1. (a) and (b) See reply to question 3073, *Hansard* No. 200, page 9084 of January 7, 1974. For salaries see Public Accounts of Canada 1968-69, pages 18-3 and 18-4.

2. (a) 352, (b) 98. See Estimates for the fiscal year ending March 31, 1975, pages 20-8 and 20-9.

3. See reply to question 3073, *Hansard* No. 200, page 9084 of January 7, 1974. For actual costs see Public Accounts of Canada for the fiscal year ending March 31, 1969, pages 18-2 to 18-4.

4. See Estimates for the fiscal year ending March 31, 1975, pages 20-2 to 20-11.

5. (a) 54,351 sq. ft. (b) 8,772 sq. ft.

6. (a) Privy Council Office, 64,534 sq. ft.; Federal/Provincial Relations Office, 17,408 sq. ft.; (b) Prime Minister's Office, 22,132 sq. ft.

NOTE: No plans for increase in square feet.

EXTENSION OF CAR FERRIES SERVICE

Question No. 1,555—**Mr. Macquarrie:**

1. Is it intended to stretch the carferries *Holiday Island* and *Vacationland* and, if so, on what date is the extension to be made?

2. How many additional vehicles will this allow these ships to carry?

3. Are there any current plans to provide greater convenience to handicapped persons on the boats by the installations of escalators, elevators or other technical improvements and, if so, what is the nature of such improvements?

4. Are similar corrective and remedial measures planned for the ferry *Confederation*?

Hon. Jean Marchand (Minister of Transport): 1. No decision has yet been made to stretch the car ferries, *Holiday Island* and *Vacationland*.

2. Assuming that it is technically feasible to stretch the vessels and if a decision is made to do so, the maximum number of additional vehicles which could be carried in each ship would be approximately 50.

3. If a decision is made to stretch the vessels, consideration will be given to improving access to the upper decks. The nature of such improvements cannot however be indicated at this time.

4. No.

ENERGY CONSERVATION PROGRAM

Question No. 1,561—**Mr. Andre:**

1. How many man months of effort went into the preparation of the statement on energy conservation delivered to the House of Commons by the Minister of Energy, Mines and Resources on Thursday, February 6, 1975?

2. How many officials of the Department of Energy, Mines and Resources and other departments were associated with the preparation of these materials?

3. What are the salary ranges of these officials?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1 and 2. It is not possible to provide the specific information requested with regard to the preparation of the material relating to the energy conservation program. In one sense, only a couple of man months went into the preparation of the final document; in another, all of the work of the Office of Energy Conservation since its inception has gone into it. Also numerous officials in other departments have worked on portions of the material presented, particularly the intra-government program.

3. From ES-1 ($8,240-$17,763) to SX-2 ($29,000-$37,000).

HERMANN REPORT

Question No. 1,608—**Mr. Marshall:**

Are any of the following recommendations made by Dr. Douglas Hermann being favourably considered by the government (a) that appropriate compensation on a continuing basis, over and above any disability pensions awarded, be paid to all Dieppe Prisoners of War (b) that provision be made to compensate similarly other former Prisoners of War who, because of extraordinary stress and trauma related to capture and imprisonment, also suffer from significant physiological and psychological disadvantages (c) that because the difference in widows' benefits for those whose husbands were pensioned above and below 48 per cent is too extreme, the widows of those pensioned below 48 per cent should be awarded a pension that is the same percentage of the widow's pension as the assessment of her deceased husband's disability, including any additional compensation awarded as a result of this study (d) that the mortality survey initiated for this study be established on a continuing basis so that the information will be available for future studies involving veterans?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): All recommendations contained in the report made by Dr. Hermann are under study. Final consideration will be given to these recommendations by the government after the Standing Committee on Veterans Affairs has completed its study of the report.

Order Paper Questions

QUESTIONS PASSED AS ORDERS FOR RETURNS

ADVERTISING BY GOVERNMENT

Question No. 157—Mr. Clark (Rocky Mountain):

1. In the period March 18 to April 20, 1974, what was the total value of advertising placed by the government in the newspapers (a) *La Presse* (b) *Le Devoir* (c) *Le Jour* (d) *Montréal-Matin* (e) *The Montreal Gazette* (f) *The Montreal Star*?

2. (a) Is there a policy against advertising in any of the aforementioned newspapers and, if so, what newspapers and for what reasons (b) what criteria determine whether and how much federal advertising is inserted in each of the aforementioned newspapers?

3. Are there any newspapers published in Canada in which, as a matter of policy, the government does not place advertisements and, if so, what are those newspapers, and, in each case, what is the reason for the policy?

4. In what newspapers published outside Canada does the government regularly insert advertisements and, in each case, what is the reason for the selection of that newspaper?

Return tabled.

LIP—ALLOCATION OF FUNDS IN THE CONSTITUENCY OF LANGELIER, QUEBEC

Question No. 617—Mr. Cossitt:

1. What was the total amount of money allocated under the Local Initiatives Programme for 1973-74 in the constituency of Langelier, Quebec (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

LIP—ALLOCATION OF FUNDS IN CONSTITUENCY OF DOLLARD, QUEBEC

Question No. 619—Mr. Cossitt:

1. What was the total amount of money allocated under the Local Initiatives Programme for 1973-74 in the constituency of Dollard, Quebec (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—TRAVEL EXPENSES

Question No. 712—Mr. Stevens:

1. In each fiscal year ending March 31, 1972, 1973 and 1974, and for the six month period ending September 30, 1974, what was the aggregate expenditure by the Department of Consumer and Corporate Affairs for travel abroad by (a) the Minister of Consumer and Corporate Affairs and his immediate staff (b) departmental staff (c) the staff of boards, commissions, tribunals, Crown corporations or other similar agencies reporting to the Minister (d) others whose expenses were paid in part or in whole directly or indirectly by the government?

[Mr. MacDonald (Cardigan).]

2. In the case of an expenditure in excess of $200 (a) what was the purpose of the foreign trip (b) what was the furthest destination (c) what is the name of the person(s) who took the trip (d) how long was the person(s) outside the country (e) what was the nature of the expenditure (f) how many others were in the party making the trip?

Return tabled.

NUMBER OF FOREIGN NATIONALS GIVEN INSTRUCTION IN CANADA

Question No. 905—Mr. Caouette (Témiscamingue):

1. During the past five years, how many foreign nationals were given instruction in Canada in military establishments?

2. What countries, and how many persons from each country, were involved?

3. Under what conditions (invitation, international agreement or other arrangements) did they come to Canada?

4. What was the nature of the instruction they were or are being given?

5. What sums were disbursed by the government for their instruction and what items were covered by these disbursements?

Return tabled.

IMMIGRATION—ADMISSION TO CANADA OF DOCTORS AS LANDED IMMIGRANTS

Question No. 1,451—Mr. Hnatyshyn:

During the years 1972 to 1974 inclusive, how many medical doctors were admitted to Canada as landed immigrants and what were their respective countries of origin?

Return tabled.

*CIDA—REALLOCATIONS

Question No. 1,531—Mr. Landers:

Has CIDA re-allocated in the present fiscal year a sum of $117 million and, if so, what was the purpose of the re-allocation and for what specific projects and purposes will the re-allocation sums be spent?

[*Translation*]

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, CIDA, as a matter of normal practice, adjusts its spending patterns to reflect changing priorities in the recipient countries and patterns of availability of certain goods and services in Canada which are to be supplied to those developing countries. The $117 million in readjustments were a response to the increased and urgent needs of many developing countries caused by the energy crisis, inflationary factors and shortages of food grains. Projects such as the purchase of rice seedlings, financing of hydro electric and the purchase of fertilizer, etc. were advanced. Seven projects which were already under way, in the amount of $20.1 million, were advanced. In addition, ten projects were considered for early approval to help in off-setting the effects of energy costs and inflation, in the amount of $24.9 million. Finally, at the World Food Conference in Rome, last November, Canada pledged $50 million in food aid to the countries in greatest need. It was considered that six countries were on the priority list for this assistance. This amount of $50 million ($51.4 million to be exact) was in addition to the $20 million previously allocated to Bangladesh, one of the most seriously affected

countries, making a total food aid commitment of $71.4 million in addition to the original regular allocation for the 1974-75 fiscal year. These allocations represent $116.4 million in development assistance and food aid.

[*English*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I rarely intrude upon the time of the House in respect of matters of procedure or order, but I am deeply disturbed in reference to question No. 39 which was placed on the order paper on September 30. It is identical to one placed on the order paper during the preceding parliament, on April 8, 1974, and it deals with the sale of munitions by this country to various parts of the world. In light of reports as to vast sales to Viet Nam and to Turkey, and the article in *Maclean's* which suggests that the Minister of National Defence (Mr. Richardson) is strongly pro-Turkey on the Cypriot question, I am wondering why there is no way this parliament can find out why this great peacekeeping country of the world, so we are told, sells so many munitions all over the world that it takes a year for the figures to be toted up.

I hope there is nothing worse than ministerial misfeasance here. I believe this is a very serious question affecting the stature of Canada in the international community and I am anxious to have an answer as soon as possible, as, I think, are the people of Canada.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question No. 767 dated November 6 reads:

1. On what date will the report on non-official languages, a study commissioned by the Secretary of State in November 1972, be made public?

2. Would the minister name the 70 recommendations made by the former minister of state for multiculturalism?

3. What recommendations have been implemented?

This question has been on the order paper since the demise of the ministry of multiculturalism and the firing of Dr. Stanley Haidasz. This government has neglected to produce the report and I should like to know when it is going to come before the House.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, with regard to what was said by the hon. member who just spoke, that question was answered today.

Mr. Stanfield: Mr. Speaker, I should like to raise a point of order before we get into the question period. It was made clear during the past week that the opposition is interested in examining contracts relating to dredging and related matters. I am not making anything of the absence from the House of the Minister of Labour (Mr. Munro) for a reasonable period of time, for reasons of health—I say that most sincerely—but it is a striking coincidence that there is also absent today, during the question period, the Minister of Transport (Mr. Marchand) and the Solicitor General (Mr. Allmand).

An hon. Member: Right on.

Mr. Stanfield: It may well be that the Acting Prime Minister (Mr. Sharp) will be able to show that both these ministers have very urgent public business elsewhere, but it is a striking coincidence which I think requires some explanation. We are used to the stonewalling tactics of the government in terms of inquiries of this sort, but as Leader of the Opposition I must protest the absence from the House today, during the question period, of the Minister of Transport and the Solicitor General. In light of the questions before the House, I would insist, if I may within my rights, Mr. Speaker, on receiving some explanation from the Acting Prime Minister.

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, the Solicitor General (Mr. Allmand) is today on a mission that I am sure the Leader of the Opposition (Mr. Stanfield) would consider very important. He is attending the graduation of the first RCMP woman constable.

Some hon. Members: Hear, hear!

● (1430)

Mr. Sharp: Since in this Parliament we are giving increased recognition to the position of women in society, I think it is suitable that the Solicitor General should be there on this occasion. The Minister of Transport (Mr. Marchand) and the Acting Minister of Labour are both in Montreal having consultations with representatives of the trade unions in Quebec with respect to inflation.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INDUSTRIAL DISLOCATION THROUGH STRIKES—
GOVERNMENT ACTION TO SOLVE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, as I place my first question to the Minister of Finance I would say to the Acting Prime Minister, with no offence to him, that I think the House might have spared him more readily today to attend that ceremony, representing the Government of Canada, than the Solicitor General.

I ask the Minister of Finance whether it is still his position that the alternative to some sort of national consensus on income and inflation restraint is that there will be a period of "prolonged and bitter industrial strife which could leave everyone considerably worse off by substantially reducing the size of the pie that is available to be shared between us". Is that still the position?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, when I linked those two subjects I did not put them in terms of alternatives; I put them in terms of the general scenario. Perhaps the hon. gentleman would like to pinpoint what he is referring to and then I will try to reply.

Mr. Stanfield: Mr. Speaker, I think the Minister of Finance was out skating on the canal over the weekend. Perhaps I could put a very blunt question to him. I ask him, now that we have clearly entered a period of pro-

longed and bitter industrial strife, what does he propose to do?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not accept the full ambit of the preamble.

Mr. Stanfield: Mr. Speaker, I ask the minister how he proposes to develop a consensus different from that which is being established, different from the pattern which is being established to reach settlements, since the government has been fooling around with this whole consensus business for some six months.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, one of the problems this country now faces, of course, which is recognized by those in charge of the various aspects of the economy including leaders of labour, is the fact that labour settlements in Canada in the last quarter of 1974 were running at roughly double the rate of settlements in the United States, jeopardizing our competitive position. Because of our situation, those on all sides of the economy recognize that a consensus is necessary. That is why we have had far from discouraging results in the conversations we have had.

LEVEL OF PRICE INCREASES FOR NEXT TWO YEARS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, in light of that observation, I wonder whether the minister accepts the proposition that inflation and the expectations of continuing high inflation are at the heart of the industrial problems which lie ahead of us. So that this consensus might be developed properly and labour might know where it stands, would the minister be frank with the House and the people of Canada and tell us what level of price increases he and the government expect to see during the next two years—the balance of this year and 1976—so that labour and industry might know what the minister is seeking in terms of guidelines?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if the evolving conversations which are being held at the moment succeed, then we will be in a position to set that forth. I set forth the proposition in some detail to the hon. gentleman's leader two weeks ago Thursday, and I would ask him to look at my summary of the state of affairs as of that date.

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—REOPENING OF NEGOTIATIONS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, perhaps I might direct this question to the President of the Treasury Board and bring him back into direct contact. I ask the President of the Treasury Board what efforts are being made either by himself or his departmental officials in relation to reopening negotiations concerning the general labour and trades group.

[Mr. Stanfield.]

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, since last Thursday we have been trying to convince union officials to meet our own conciliators. I do not know whether both parties will be able to get together today. I do hope they will meet as soon as possible.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

MACKENZIE VALLEY PIPELINE—EFFECT ON ENVIRONMENT—REQUEST PROJECT NOT PROCEED UNTIL RECEIPT OF BERGER REPORT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Acting Prime Minister regarding the hearings on the Mackenzie Valley pipeline which are taking place today in Yellowknife before the Berger commission. In view of the fact that Mr. Justice Berger has been authorized by the government to consider the social, environmental and economic impact of the proposed Mackenzie Valley gas pipeline and to recommend the terms and conditions which should be imposed on any successful applicant, I ask the Acting Prime Minister the following question: can he assure the House that no authorization to proceed with the project will be granted until the government has received and examined the report of the Berger commission?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, I could not give such a categorical assurance. It would depend a great deal on the nature of the report to be presented by Mr. Justice Berger.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am sure the Acting Prime Minister misunderstood my question. I was not asking whether the government would agree not to proceed if Mr. Justice Berger's report should be negative. But in view of the fact that the government appointed Mr. Justice Berger to look into the social, environmental and economic aspects of this measure, will the minister undertake to assure the House and the people of Canada that the government will not proceed with the construction of the Mackenzie Valley gas pipeline until it has received the report of the commission which the government itself set up for the purpose of looking into this question?

Mr. Sharp: Mr. Speaker, I would hesitate to give a categorical reply to this question. It is our hope that Mr. Justice Berger will bring down his report in time for it to be considered when we receive a recommendation from the National Energy Board. If it should be a recommendation to proceed with the building of the pipeline, I could imagine circumstances under which it might be desirable to have some consultations with Mr. Justice Berger about the nature of his report, if it appeared that the time he was going to take would be so long as to interfere with what was considered to be a very desirable decision.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that the National Energy Board will be looking into the engineering aspects and the supply and demand question, but not into the social, envi-

ronmental and economic aspects, I ask the Acting Prime Minister whether this means that the government has already made up its mind, as was indicated by the President of the Treasury Board who when Minister of Indian Affairs and Northern Development said at Yellowknife on January 18 that, "this government, after carefully weighing all the factors involved, has come to the conclusion that a gas pipeline down the Mackenzie Valley is in the national interest." Are we to take it from that statement that the government has already decided to act, and that all the other assurances are a sop to the general public in order to pacify the opposition, and the government intends to go ahead without waiting for the Berger report or any other relevant data?

Mr. Sharp: No, Mr. Speaker, that is not the conclusion one should draw. I think there is a general understanding of urgency in respect of a decision because of the energy situation and the need to know whether in fact there will be access to gas from the Arctic. I believe there is general agreement, also, that the social and environmental factors should be looked at very carefully. From long experience I would rather hesitate to say which of these particular steps must come first in such a process. It is an extremely complicated one. I believe that the government is looking at all aspects of the problem carefully and with all the attention that I think the problem requires. But I would hesitate to say that one particular step has to be completed before a decision can be made, because it might be in the public interest at that time to adopt a somewhat different procedure in order to reach the right decision.

* * *

● (1440)

[*Translation*]

AGRICULTURE

SUGGESTED ESTABLISHMENT OF NATIONAL MARKETING AGENCY FOR POULTRY

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

In view of the fact that poultry producers from the St. Damase Co-op in Quebec have, in protest, intercepted an American truck loaded with United States imported chickens, while their own production quotas have been reduced, can the minister advise the House whether the National Farm Products Marketing Council has received an application for the creation of a national marketing agency for poultry and, if so, whether this application will be granted?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): As I have said in the House on many occasions, poultry production is not under a national marketing agency. Public hearings were held last year on whether such a national marketing agency should be established. After the meetings were held, a consensus was reached that they should proceed with negotiations for setting up a national agency for broilers, but this has not been done, mainly because of the controversy in which CEMA was involved at that time. I have no intention of proceeding with it at this time unless we have more federal authority for a national marketing board than we have for CEMA at present, which makes it unworkable in my opinion.

[*Translation*]

Mr. Lambert (Bellechasse): A supplementary, Mr. Speaker. Could the minister tell the House whether Canada must now resort to poultry imports, since Canadian production is deficient, in order to meet the internal market needs?

[*English*]

Mr. Whelan: No, Mr. Speaker. There is a great deal of poultry in Canada at present, not as much as there was last year at this time but sufficient to supply the Canadian market. Until procedures are developed for what we call supply management on a national basis, there is not much one can do about imports so long as they are not being dumped in this country.

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ENVIRONMENTAL AFFAIRS

MACKENZIE VALLEY PIPELINE—GOVERNMENT PARTICIPATION IN BERGER COMMISSION HEARINGS

Mr. J. H. Horner (Crowfoot): My question is supplementary to a previous question and it is directed to the Acting Prime Minister. It has to do with a previous question with regard to the Berger commission. Are we to believe that the Department of the Environment will be presenting a brief to the Berger commission outlining the dangers to the ecology of building a gas pipeline, so that the Berger commission may understand completely the whole question of pollution and the degree to which the ecology might be affected by the building of that pipeline?

Hon. Mitchell Sharp (Acting Prime Minister): It is my understanding that the Department of the Environment is turning over to the commission all the studies that it has made, and it is also lending some personnel.

Mr. Horner: I appreciate the answer of the Acting Prime Minister. Will that information be made available to interested groups and people who might well want to submit briefs to the Berger commission with regard to the building of the pipeline? In other words, will the information now known within the Department of the Environment be made available to interested groups as well as to the Berger commission?

Mr. Sharp: I will take that question under consideration. I would have thought, however, that if is not necessary for many citizens' groups to know about the government's studies. Presumably they have their own views. If their purpose is simply to try to argue with the government on its studies, that is one thing, but the purpose of the Berger commission is to deal with the problem per se and not to be prejudiced either by the government or by outsiders.

Mr. Horner: Surely the minister would agree with me that interested people in Canada who might desire permission to submit a brief to the Berger commission are also

taxpayers, and are therefore entitled to the expertise and knowledge already developed within the Department of the Environment so that they might better judge the situation and present a better brief to the commission.

Mr. Sharp: As I said, I am willing to take this request into consideration. I just added the other words because I believe that the important thing about the Berger commission is that it will not be influenced unduly by the government's position and will welcome views from the public.

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ENERGY

MACKENZIE VALLEY PIPELINE—BERGER COMMISSION—STUDIES UNDERTAKEN BY GOVERNMENT

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question along the line of questions put by other hon. members, for the Minister of Energy, Mines and Resources. It was my understanding, having heard a number of answers by the minister over the years, that the department was making studies. But having listened to the Acting Prime Minister today I ask the minister whether the Berger commission is to be farce. Why have we had the other studies? Judging from what the Acting Prime Minister said, the project could go ahead without any studies.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I do not think the Acting Prime Minister said that. He said, as the government has said on many past occasions in this House and outside it, that any decision on the Mackenzie Valley pipeline could go ahead only after appropriate regulatory proceedings, particularly after a study of land rights.

Mr. Woolliams: Do I take it unequivocally that the minister and the government will not proceed with this project until a report by Mr. Justice Berger has been received? That is a clearcut question to which I would like to receive a clearcut answer.

Mr. Macdonald (Rosedale): Certainly our objective would be to have Mr. Justice Berger's report before us. The government cannot proceed unless there has been a positive decision by the National Energy Board on this particular subject.

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TRANSPORT

STATUS OF DREDGING CONTRACTS IN LIGHT OF INVESTIGATION UNDER WAY

Mr. James A. McGrath (St. John's East): My question is directed to the Acting Prime Minister in the absence of the Minister of Transport. In light of the investigation now taking place into federal dredging contracts, can the Acting Prime Minister tell the House whether there is a freeze on the awarding of new contracts and on the payment of federal funds for these contracts?

[Mr. Horner.]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am not aware of any such freeze. An investigation is going on by the RCMP into a couple of contracts. These are continuing. As the Minister of Transport said, some payments on the dredging contract in the St. Lawrence have been held back. The government is now being sued for payment. That is how the matter stands; there has been no other action.

Mr. McGrath: In view of the fact that it took almost two years for the RCMP to extend their inquiry from Hamilton into the dredging contract at Île d'Orléans, and in view of the fact that currently in the estimates there are some $10 million worth of federal dredging contracts for the St. Lawrence river ports, is it the intention of the government to order a full-scale inquiry into all dredging contracts in Canada?

Mr. Sharp: No, Mr. Speaker. As the Minister of Transport said the other day, I think, inquiries are going ahead on contracts in cases where there is a belief that there might have been conspiracy. These inquiries are continuing. If the hon. member has evidence in other respects, perhaps he would submit it.

HAMILTON—REQUEST BY CITY COUNCIL FOR INQUIRY INTO ACTIVITIES OF HARBOUR COMMISSION

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question which I should like to direct to the Acting Prime Minister in light of the answers of the Minister of Transport. Is the Acting Prime Minister aware of a letter dated February 26 from the Clerk of the city of Hamilton which in effect indicates that on October 31, 1972, the city passed a resolution petitioning the federal government to conduct a full-scale public inquiry into the activities of the Hamilton Harbour Commission, and members of the council are still most anxious that this inquiry be conducted? Is the Acting Prime Minister aware of that letter and, if so, what answer will he give?

● (1450)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, since I am not aware of the letter I will have to make inquiries.

Mr. Alexander: On behalf of the city council, I would give notice to the government that on October 31, 1972, the city council passed a resolution to the effect that the federal government be petitioned to conduct a full-scale public inquiry into the activities of the Hamilton Harbour Commission.

Mr. Speaker: Order, please. The hon. member has the floor for the purpose of asking another supplementary question. I hope he is going to use it for that purpose.

Mr. Alexander: Mr. Speaker, I was just coming to the end of the resolution. Now that the Acting Prime Minister is advised of that resolution, would he report back to the House as soon as possible on the government's intentions?

Mr. Sharp: Mr. Speaker, an inquiry is under way. I am sure the hon. gentleman would agree that any inquiry

should go to its conclusion before any other action is taken.

Mr. Alexander: Mr. Speaker, I am aware that an inquiry has been going on, but the Acting Prime Minister has conveniently forgotten the key point of the resolution, that the city of Hamilton wants the federal government to be involved in a full-scale public inquiry. The Acting Prime Minister has heard the question; now will he give me an answer?

Mr. Sharp: Mr. Speaker, I did give the answer, that is, that we did institute an inquiry. It has brought some people to justice and it may bring others. I am sure the hon. gentleman, who is an experienced man of the law and a very distinguished one, will agree that that procedure should be followed.

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FINANCE

GOVERNMENT ACTION TO PREVENT ETHNIC DISCRIMINATION BY FINANCIAL INSTITUTIONS IN HANDLING INVESTMENT FUNDS

Hon. Herb Gray (Windsor West): Mr. Speaker, may I put a question to the Minister of Finance? What steps is the government taking to ensure that financial institutions will not seek or handle Arab investment funds on terms involving discrimination against anyone on the basis of their ethnic origin or religion, such discriminatory approach being repugnant to Canadians generally?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if any specific instance were brought to my attention I would deal with it within the limits of the responsibility I have under the Bank Act.

Mr. Gray: Mr. Speaker, I have a supplementary question. When the Minister of Finance makes his tour of Middle Eastern countries in a few weeks, will he make clear to the leaders of the countries he visits that it is contrary to the policy of the Canadian government that any investment funds from these countries to Canada be handled or used on terms involving discrimination against anyone on the basis of their ethnic origin or religion?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will be travelling through those countries in my capacity as chairman of the International Monetary Fund committee of 20. As the situation comes up I will be glad to make the point.

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AIR CANADA

RESIGNATION OF YVES MENARD—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the resignation on Friday of Yves Menard, an Air Canada vice-president, following a Southam News Story that there is a possible conflict of interest, and also the statement by Yves Pratte, chairman of the board, that he deeply regretted the circumstances leading to the decision, I ask the Acting Prime Minister, without passing judgment on the case, whether he has investigated the matter and, if so, can he report to the House?

Mr. Baker (Grenville-Carleton): And who is next?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I understand that the president of Air Canada made this decision on his own motion.

Mr. Nystrom: I assume the minister means the vice-president.

Mr. Sharp: No, the president.

Mr. Nystrom: A supplementary question. Did the president of Air Canada request Mr. Menard's resignation and, if so, under what circumstances? Can the Acting Prime Minister also tell the House whether the conflict of interest legislation now being contemplated by the government for senior civil servants also pertains to high officials of Crown corporations?

Mr. Sharp: Mr. Speaker, it is my understanding that Mr. Menard asked to resign for personal reasons and Mr. Pratte accepted his resignation.

Mr. Nystrom: A final supplementary question to the Acting Prime Minister, Mr. Speaker. In the conflict of interest legislation pertaining to senior civil servants which is now before the government, is there something that will also apply to high officials in Crown corporations?

Mr. Sharp: Mr. Speaker, I believe this is one of the questions that should be considered. It is a difficult problem but I think in general the same sort of principle should apply.

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INDIAN AFFAIRS

SUGGESTION EDUCATIONAL BUDGET WILL RESULT IN REDUCTION OF PROGRAMS

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question was for the Minister of Indian Affairs and Northern Development, but in his absence I would address it to the Acting Prime Minister or the parliamentary secretary. Has the minister received representations from Indian bands in Ontario that the proposed educational budget for the coming year will result in the elimination of existing educational programs?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not have any information on that matter for the hon. member, but I will inquire and see that it is communicated to him as soon as possible.

Mr. Holmes: A supplementary question. Would the parliamentary secretary undertake to ask the minister if he will reassess the entire educational financing program for Ontario, and if in the interim he would indicate that there

will be no reduction of personnel in the support programs that exist?

Mrs. Campagnolo: Mr. Speaker, I will be pleased to do so.

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HOUSING

NATIVE AND RURAL HOUSING—REQUEST FOR ESTIMATE OF NUMBER OF UNITS TO BE CONSTRUCTED UNDER FIVE-YEAR PROGRAM

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of State for Urban Affairs. In view of the obvious failure of the native and rural housing program in 1974, can the minister tell the House how many units his department intends to construct this year under the 50,000 unit, five-year program?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, in this context I do not like to set specific targets or dates. As the hon. member knows perhaps better than any other member of this House, it is a long and painful process. Sometimes I think when gains are made by the native people in housing they may appear small by our standards but they represent an amazing effort and accomplishment for the native people themselves.

Mr. Oberle: Mr. Speaker, I apologize for my cold. I expect my leader will advise me to take a couple of days off.

An hon. Member: We will see you in the Defence hospital.

Mr. Oberle: Mr. Speaker, I ask the minister how his department intends to communicate the secret native and rural housing program to the native people and members of the House of Commons. That is the program that he announced on March 27 last year. Only 24 homes out of 50,000 were built in one year.

Mr. Danson: Mr. Speaker, I have been meeting on a continuing basis with several native housing groups across the country, as have my officials who are concentrating on that area. Rather than describe the whole program in the question period and have the hon. gentleman get pneumonia, I would suggest that he attend meetings of the committee on Bill C-46. This committee will be discussing the programs of CMHC and specifically this program. I will be delighted to answer questions in detail at that time as we rush to get the legislation through.

NATIVE AND RURAL HOUSING—ALLOCATION OF GOVERNMENT FUNDS FOR 1975

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary question regarding the rural part of the native housing program. Would the minister indicate if he has reached agreement with all provinces with regard to funding to be allocated this year to rural and native housing?

[Mr. Holmes.]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, allocations have been made and discussions held with all provinces. Although some agreements with the provinces have not been completed, it is expected this will be done within a short period.

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AGRICULTURE

INEQUITY BETWEEN TARIFF ON IMPORTED CHEESE AND CANADIAN CHEESE IMPORTED BY EUROPEAN COMMON MARKET

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture. On February 6 this year I asked the minister what, if anything, he proposed to do for or about the Canadian cheese processors whose volume of production had dropped 25 per cent to 30 per cent recently because they faced European Common Market import tariffs some 20 to 60 times higher than those European cheeses were facing coming into Canada. At that time the minister said this should be reviewed and that we cannot be the good guys all the time. May I ask if the review is over, and is the minister going to be a good guy or a bad guy? What is going to be done, and when?

● (1500)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am going to be a reasonable person. I have a submission prepared after our study. It will be going before cabinet in the next few days.

Mr. Jarvis: A supplementary question, Mr. Speaker. As all members, I am sure, were relieved last week upon receiving the minister's press release saying that he had solved at least one agricultural crisis, namely, that of the importation to Canada of live turtles, and without implying that the turtle crisis is any less important than the cheese crisis, I wonder if the minister will undertake to act on the cheese crisis with something approaching the same seriousness and concern he exhibited in dealing with the turtle invasion.

Mr. Whelan: Mr. Speaker, the same can be said for cheeses as for turtles; there should be Canadian turtles for Canadians and Canadian cheeses for Canadians. That policy will be followed. The hon. member has made light of turtles, but turtles carry a distinct disease which children handling them can catch. We do not want this to happen in our country. There are, as well, difficulties with cheeses. We have banned the entry of certain cheeses because they contain insecticides and pesticides. We do not want such cheeses to enter Canada. This applies especially to cheeses about which we are talking; we have strong reservations about allowing their entry to Canada. Health comes first and other trade matters later.

Mr. Baldwin: There are already too many turtles in the cabinet.

[*Translation*]

INDUSTRY

TEXTILES—LAY-OFFS IN SAINT-HYACINTHE DUE TO IMPORTATIONS—GOVERNMENT POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to direct a question to the Minister of Industry, Trade and Commerce.

My question relates to textiles in Canada. In his present study of the very recent recommendations of the Canadian Textile and Clothing Board, does the minister consider specifically the alarming increase in imports of sweaters, undershirts and underwear, whose increase rate, according to the figures of Penman's Company Limited, has gone from 1970 to 1974 to average figures of 69.7 and 97.2 per cent, according to the articles involved, and, second, does the minister consider the direct relation between those imports and the thousands of temporary layoffs in the country or even on the more than definitive 200 layoffs recently announced at Penman's in Saint-Hyacinthe?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I believe some members of the apparel industry are forming an association and will make representations to the Textile and Clothing Board. I, for one, want to join with the hon. member opposite and participate in any discussions on bathing suits and bikinis.

Mr. Stanfield: Very funny.

[*Translation*]

Mr. Wagner: Mr. Speaker, I should like to put a supplementary question.

I thank the minister for his support. I hope he will act and not merely talk. My supplementary question is as follows, at the request of the member for St. Boniface: the Penman's Co. Limited, where workers have been on strike for nine months, having recently announced that it could only partially reopen its Saint-Hyacinthe factory and that it would close its spinning, felting and dyeing shops and dismiss over 110 employees as a result of market losses, is the minister prepared, without waiting for a demonstration on the hill, to take specific measures in co-operation, if necessary, with his colleagues the Minister of Regional Economic Expansion and the Minister of Manpower and Immigration as well as with the assistance of Quebec authorities in order to encourage Penman's Limited to recover gradually its markets or to adjust to new markets?

[*English*]

Mr. Gillespie: Mr. Speaker, both the hon. member and I are concerned about the solution of the long strike. I hope the strike can be settled soon, because then the company can resume normal operations.

HEALTH

CLOSING DOWN OF ACCOM SERVICES IN OTTAWA REGION—REQUEST FOR GOVERNMENT FINANCIAL ASSISTANCE

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare? Since the only crisis referral service for French-speaking youth in the Ottawa region, ACCOM, has been forced to close down its residential services for at least a month, and possibly for good, and since the appeal of the Vanier Centre to regional, provincial and federal officials for immediate financial assistance was refused, can the minister state when financial assistance for this important service will be available?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I shall be glad to examine the matter raised by the hon. member and to see whether the federal government has any responsibility in that field.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

MACKENZIE VALLEY PIPELINE—GOVERNMENT PARTICIPATION IN BERGER COMMISSION HEARINGS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct my question to the Acting Prime Minister? In view of the fact that the Department of the Environment had planned to appear before the Berger commission to oppose the Mackenzie Valley natural gas pipeline on environmental grounds, and had requested the opportunity to appear, was it government policy to cancel this intervention?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. gentleman is giving me information of which I was not aware. I doubt its validity, but will make inquiries.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. As the National Energy Board is considering only the economic and supply aspects of the question, will the Acting Prime Minister look into arrangements which the Department of the Environment had made to bring the environmental aspects of the proposed pipeline out into the open?

Mr. Sharp: Mr. Speaker, I also question the premises of that question. As I explained in relation to an earlier question, the Department of the Environment is co-operating with the Berger commission and making available through that commission all its studies and personnel who may be helpful. Whether, in addition, the department should appear before the commission is a separate question. So far as I know, they have never been refused, and they have not refused to appear.

Oral Questions

[*Translation*]

TRADE

INQUIRY WHETHER IMPORTATION OF UNITED STATES POULTRY AUTHORIZED BY GOVERNMENT

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to put a question to the Minister of Industry, Trade and Commerce.

Since the Americans export into Canada, live chickens ready to be slaughtered, can the minister tell the House whether Canadian importers must apply for permits from his department to import that live poultry?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I will be pleased to make inquiries and let the hon. member know the answer.

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PUBLIC SERVICE

GOVERNMENT POLICY RESPECTING WAGE PARITY FOR GRAIN HANDLERS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the President of the Treasury Board. Given the prolonged tie-up of west coast grain shipments, will the government be using the same sort of guidelines for dealing with its employees as it used last fall when it introduced grain handling legislation, namely, that workers working side by side and doing the same job should have parity in pay?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, we had the opportunity to face that problem later in the year during the strike of grain inspectors and we found another ground for settlement different from the one provided for in the summer legislation. Therefore, the hon. member's question does not apply in the circumstances.

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[*English*]

PRIME MINISTER'S OFFICE

INCREASE IN EXPENDITURES REFLECTED IN ESTIMATES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is directed to the Acting Prime Minister. As the government the Prime Minister leads has urged all Canadians to use restraint as an anti-inflation device, can the Acting Prime Minister advise the House why the estimates for the fiscal year 1975-76 record an increase of 29.3 per cent in expenditures for the operation of the Prime Minister's office?

Mr. Speaker: Order, please. Important as that question may be, it surely contains the basic element of the whole process of the examination of estimates in committee.

[Mr. Sharp.]

GRAIN

DELAYS IN EXPORT SHIPMENTS—EFFECT ON CONTRACTS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Agriculture. In view of the almost continuous delays this past summer in the movement of grain for export, can the minister advise the House whether Canada has defaulted on any contracts with the result that customers have had to look to other grain exporting countries for supplies?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, if I may answer, there have been instances in which the board has entered into discussions with people to whom we have sold grain in order to phase deliveries over a longer period of time. That would entail, of course, some inconvenience to our customers.

Mr. Neil: A supplementary question, Mr. Speaker. I do not think the minister answered my question. Can he advise the House whether delays in moving grain have resulted in Canada being called on to pay sums of money under penalty clauses in contracts entered into for the sale of grain?

Mr. Lang: Not to my knowledge, Mr. Speaker, but I will look into the matter on an up to date basis.

DELAYS IN EXPORT SHIPMENTS—REQUEST FOR GOVERNMENT ASSISTANCE TO FARMERS IN MEETING INCREASED DEMURRAGE COSTS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I direct my question to the minister in charge of the Wheat Board? As the grain producers of Canada had to foot a $17 million bill for demurrage costs during the last crop year because of shipping delays, and as it appears that this performance will be repeated during the present crop year, the government apparently not having taken initiatives to restore orderly grain movement, has the minister considered the provision of a mechanism for cushioning farmers from the effects of these huge demurrage costs which can be very serious indeed.

Mr. Horner: There are 40 ships tied up today.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is not correct to suggest that the government is not taking any initiatives to take care of the current situation. It is also true that strikes have an impact on many people in the economy. There is no way within government policy that those impacts can be borne generally.

● (1510)

Mr. Mazankowski: I realize that the cost of strikes has to be borne by someone. However, in view of the fact that the producers, the farmers, have no way of recovering the cost, and the fact they have been faced with a continuous tie-up in shipments, is the minister taking any initiative, on behalf of the farmers of Canada, to bring forward some sort of program to alleviate these disastrous effects that have been placed on the backs of the farmers?

Mr. Lang: Exactly the same situation exists for everyone else. While this is not a delightful answer, it is true that even with this kind of cost the farmer is receiving more for his grain in the current year than ever before.

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AGRICULTURE

PAYMENTS BY PROVINCES IN RESPECT OF CANADIAN EGG MARKETING AGENCY

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a question for the Minister of Agriculture. During the February 17 debate in the House of Commons on CEMA, the minister stated he was glad to see that most provinces had either paid up their debts incurred in 1974 or had made binding agreements to rid themselves of those debts by the end of the year. Can the minister confirm whether the Quebec producer board is paying the differential service charge to CEMA? If not, what action is proposed by CEMA, the council or the minister to acquire this money?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I met the chairman of the Farm Products Marketing Council this morning. He reported that the province of British Columbia had paid their back payments of $139,000. I do not believe Quebec has paid theirs. There were negotiations and discussions going on between the Farm Products Marketing Council and CEMA last Thursday. Discussions will be going on with both Ontario and Quebec this week. That is the latest report which I received about ten o'clock this morning.

Mr. Murta: In view of the minister's statement that he talked to the chairman of the Farm Products Marketing Council recently, can he now indicate which provinces are not paying their levies to CEMA? Also, is CEMA paying to the provinces the amounts owned to them?

Mr. Whelan: Mr. Speaker, I will be glad to bring in a report on that for the hon. member.

INEQUITY BETWEEN TARIFF ON IMPORTED CHEESE AND CANADIAN CHEESE IMPORTED BY EUROPEAN COMMON MARKET

Hon. E. F. Whelan (Minister of Agriculture): I might comment on a very important question about cheese asked by the hon. member for Perth-Wilmot. I do not want to leave the impression with the House that nothing is being done for these producers. The hon. member would not want that. I am sure he wants the House to know that the Prime Minister was successful in negotiating no duty on cheese going into the Common Market as of April 1. The duty on cheddar cheese was 67 cents a pound. There will be no duty on our cheese until 1979. As far as we are concerned, this is a major breakthrough for Canadian producers of that cheese.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The question period has expired. The minister raised a point about which he had been questioned previously. The hon. member for Perth-Wilmot feels he is entitled to a further supplementary question. I have recognized the hon. member for York-Simcoe and there is not time for both questions.

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EXPORT DEVELOPMENT CORPORATION

MARINE INDUSTRIES LTD.—EFFECT ON GOVERNMENT CONTRACT OF INVESTIGATION IN PROGRESS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. In view of current investigations into the $21 million federal government contract awarded to a group of companies including Marine Industries Ltd. of Quebec, and in view of Marine Industries being the third ranking principal exporter of record receiving the benefit of Export Development financing, having received $104 million in commitments up to September 30, 1974, will the minister indicate if Marine Industries is continuing to receive the benefit of this type of financing? Have any new contracts been signed, or will they be signed involving export financing where Marine Industries will be the principal benefactor?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not have the detail of existing contracts under negotiation, but I see no connection between the first part of the premise of the hon. member's question and the purposes of the Export Development Corporation.

Mr. Stevens: As federal government claims may arise against Marine Industries as a result of current investigations, has the minister instructed the Export Development Corporation to hold back funds that may accrue to Marine Industries pending the outcome of the investigations?

Mr. Gillespie: Mr. Speaker, I indicated that I see no connection between the two programs.

Mr. Speaker: Orders of the day.

Mr. Jarvis: Mr. Speaker, I rise on a point of order in connection with the minister's remarks a few moments ago about cheese producers. I am sure all members of the House welcome the minister's indication that he is treating the matter as one of urgency. I simply point out to him the difficulty faced by processors. On one hand they hear what the minister has said, and on the other hand they hear his officials saying, confident as they are that some accommodation will be worked out with the European Common Market, that it could still take some months to resolve the situation. I point this out because these producers are left in a quandary. On one hand they read that it will take some months, and on the other hand they hear in this House of Commons that it may be worked out this week or next.

Mr. Whelan: Mr. Speaker, the hon. member knows that discussions took place for weeks or months with regard to specialty cheeses. Discussions did take place before the final agreement was reached on cheddar cheese. As of April 1 there will be no duty on cheddar cheese going into

the Common Market. The duty was formerly 67 cents a pound. I am very optimistic that we can come to an agreement on specialty cheeses. It is not as large a volume but is still a very important part of our cheese production.

Mr. Horner: Mr. Speaker, I rise on a point of order. The sole purpose of the question period is to solicit information on subjects of national importance and urgency. When listening to the radio this morning, I heard there had been some sort of settlement or agreement reached with Mint employees involved in the minting of coins. I have been keenly interested in the GLTG with regard to the grain tie-up. During the question period I failed to elicit any information with regard to this. The Minister of Labour is absent from the House, and the President of the Treasury Board has just left. We did not get any information from the government on what they are doing about the strike. They have settled the Mint strike, but at what per cent did they settle? What is the government doing about the 40 boats tied up in Vancouver? Surely we are entitled to this kind of information.

Mr. Speaker: Order, please. The hon. member has described the purpose of the question period very fully, namely, to solicit information on issues of national importance. However, the hon. member had the floor during the question period and did not put that question.

Mr. Horner: I would like to draw to Your Honour's attention that I rose on a supplementary to a previous question. I never at any time had the floor at which time I could have initiated this question. I draw that to Your Honour's attention in view of your remarks with regard to my participation in this question period.

Mr. Speaker: Orders of the day.

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a question of privilege. This matter only came to my attention in the last few moments as a result of two questions on the order paper which were answered today. The answers have just been delivered to my desk. I refer to questions Nos. 534 and 1,181 concerning certain LIP projects.

● (1520)

They concern LIP projects known as Project Aldergrove and Research Anti-Poverty, and another project, No. 311872, in London East, involving the award of a $53,000 contract to a contractor who reportedly boasted in the press that he had given $10,000 to the Liberal party.

As part of both these questions I asked for the names of those who recommended the projects or communicated with the minister urging that these applications be granted. I think this is a legitimate question for a member of the House to ask. I feel that in connection with my question of privilege I should read one sentence from the answer:

Both projects were suspended when suspicion of financial irregularities arose. An investigation of the projects was initiated thereafter.

Then the answer goes on to blame the situation on poor bookkeeping and other things. The point is, I asked for the names of those who endorsed these projects, and their government came back with the answer:

[Mr. Whelan.]

The Department of Manpower and Immigration regards as confidential the names and contents of all representations made to the minister or the department.

I think that answer is an insult to all members of the House. It has taken since last October to produce this garbage by way of an answer. I say to the government, why bother to answer a question at all unless there is an intention to give the information which is sought? An answer of this sort is a disgrace and I do not believe that I, or any other member, should have to put up with it.

Some hon. Members: Hear, hear!

Mr. MacGuigan: Mr. Speaker, with reference to the point of order raised by the hon. member for Crowfoot I wish to point out that I was prepared, as Parliamentary Secretary to the Minister of Labour, to give a report to the House on the settlement of the strike at the Mint. If the House wishes, I can give that report now.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION

MOTION TO REFER GREEN PAPER TO SPECIAL JOINT COMMITTEE

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved:

That a special joint committee of the Senate and of the House of Commons be appointed to consider the green paper on immigration policy tabled by the Minister of Manpower and Immigration in the House of Commons on February 3, 1975; and to invite the views of the public on the issues raised therein;

That 15 members of the House of Commons to be designated at a later date be members on the part of this House on the special joint committee;

That the committee have power to appoint from among its members such sub-committees as may be deemed advisable and necessary and to delegate to such sub-committees all or any of their powers except the power to report directly to the House;

That the committee have power to sit during sittings and adjournments of the House of Commons;

That the committee have power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the committee;

That the committee have power to adjourn from place to place within Canada;

That the committee be empowered to retain the services of advisers to assist in its work; and that it also be empowered to retain the professional, clerical and stenographic help as may be required;

That the committee submit their report not later than July 31, 1975;

That the quorum of the committee be 12 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the joint chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when 6 members are present so long as both Houses are represented; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it to be advisable, members to act on the proposed Special Joint Committee.

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

An hon. Member: No!

Mr. Speaker: Shall the motion carry on division?

Mr. Epp: Mr. Speaker—

Mr. Prud'homme: Did I hear Your Honour say the motion had been carried on division? I did not hear any dissent.

Some hon. Members: Yes.

Mr. Speaker: I asked whether it was the pleasure of the House to adopt the motion. There was a clear negative voice. I was looking about for hon. members who might wish to participate in the debate, and I did not see the hon. member for Provencher (Mr. Epp), as I should have done.

Mr. Knowles (Winnipeg North Centre): May I rise on a point of order? There was a general understanding that there would be a brief debate on this subject, and we were expecting the minister to lead off that debate. Just because he sat back in his seat I do not think he should be excused from leading off. I am sure the hon. member for Provencher (Mr. Epp) would be happy to follow him.

Mr. Andras: Mr. Speaker, contrary to the indication given by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), I was not sitting sleeping. I was waiting in anticipation of the surprising possibility that the motion might not be debated, though it was not my understanding that this would be the case.

I appreciate the courtesy of the House in allowing me to lead off. I certainly have a particular interest in the motion to appoint a special committee of the Senate and the House of Commons to consider the green paper on immigration policy. I look forward to following its deliberations and receiving a report from such a committee on a matter which I consider to be of extreme importance.

The conclusions of the committee will be of great assistance in formulating a comprehensive review of policies and programs in the immigration field. The general process of review was embarked upon, when the green paper was tabled on February 3, or even earlier, a year or so ago, when we discussed the possibility that such a green paper might be forthcoming.

As I have said in the House on other occasions, the green paper does not itself make definite recommendations nor does it propose cut and dried solutions to the questions set out therein. Rather, it explores the issues of immigration and population growth, and discusses some of the choices which are open to us. It is a document Canadians may use when considering these or other options in relation to Canada's population future. The green paper is presented as a means of assisting the process of policy formulation and the examination of the new legislation which the government intends to submit to parliament soon. Accordingly, it has been made public in the hope that it will stimulate a country-wide debate upon immigration policy. I might add that this hope or intention appears to be on the way to fulfilment since the green paper was tabled a month ago.

It is also my hope that the debate will not only embrace such questions as selection procedures and administrative control, in other words, the nuts and bolts of immigration machinery, but that it should also take into consideration the development of a population policy for Canada to which immigration is closely linked.

There is a need to develop a common idea with regard to population growth in Canada and to be clear about its goals if all regions of Canada are to realize their full economic and social potential, avoiding the concentration of too many people in some areas and the presence of an insufficient number of people in others.

I know there are some who say that, because of the sheer physical size of our country and the relatively high standard of living our people enjoy, the population question is an academic one. On the other hand, there is a great deal of concern about the consequences of increasing urbanization, the many problems which accompany that process and which make the question of population growth one of urgent importance right now. At the same time there are other considerations. Alberta may need more workers, while the maritime provinces might be more concerned about internal migration.

There have been a host of world developments, including the population explosion. I am told that the world population is increasing at the rate of some 200,000 people a day. Then again there is the threat of food shortages, both now and in the future. All these events have made us appreciate much more the importance of knowing where we are going in population terms, of making deliberate rather than benign decisions.

● (1530)

While the green paper concentrates mainly on immigration policy, it is also concerned with demographic policy and population policy. We note that immigration based on current trends, of which we are aware, is very likely if those trends continue to replace natural increase as the main source of population growth in this country before the end of the century. Therefore, a sound immigration policy for the future will need to rest squarely on the foundation of some views, and some policy flowing from those views, on population in this country.

If we are to examine population policy and immigration in that context, we must be just as concerned with where people live in Canada as about how many people there are here. We must also recognize that immigration itself is not the only factor. Perhaps quantitatively it will not be the main factor because of the consequence of internal migration trends in this country. So population policies, in short, must deal with the question of distribution as much as with the question of growth. In this regard there is an obviously inherent question for Canadians in the prairie and Atlantic regions.

As I have indicated in my comments, the federal government has begun to study the various aspects of the demographic question and has concluded that we need guidelines for the future. We hope that these guidelines will provide the framework within which to integrate a whole array of interrelated policy measures and ideas affecting population trends, a spectrum of policies that will cover areas such as regional development, urban objectives, na-

tional characteristics, as well as transportation, communications and industrial growth.

We must also recognize in this process that some of the decisions and policies are the responsibility of one level of government. In other areas of endeavour, responsibility and jurisdiction lie between governments or with both the federal and provincial governments. Some are purely provincial and some, in my opinion, in this context, require the input of the municipalities.

It is also our conviction that the formulation and broad acceptance of an over-all set of population goals are very important if the various related policies that are carried out by all these levels of government, plus the private sector, are to yield the maximum results. In this sense the federal government is beginning to foster the widest possible measure of agreement about Canada's population future, and I outlined the consultative machinery when I tabled the green paper in early February.

Speaking of the green paper, Mr. Speaker, I think this is the first time that the government has tried to tell the whole immigration story in detail, and within a really comprehensive framework. It is also the first time that immigration policy has been discussed in relation to these wider economic, demographic, social and cultural concerns. The committee will, of course, be in charge of its own affairs within the terms of reference agreed upon by this House, but I believe that during its work and travels it will provide an extremely valuable stimulus for public debate and, most important, will be the major forum in which Canadians, whether as individuals or through representative organizations, can take part in a debate that will lead to an important decision regarding the future of this country.

I hope that when this joint committee hears Canadians presenting points of view, the variety of hopes and needs of people in all regions of Canada can be related to our decisions about immigration and, in the broader sense, population. In short, I see the committee acting as the paramount vehicle for the recording and transmission of the public's views to the government. In addition to the members of the House and from the other place who will play an active role in the work of the committee, I trust all members of parliament will have a vital role in what I hope will be a constructive national debate on this whole question.

I think the review upon which we have embarked provides a rather unique opportunity for parliamentarians to study all aspects of immigration and to contribute to the best kind of immigration policy that our joint efforts can produce when this debate is concluded. In that context I have already noted, with very considerable appreciation as a matter of fact, that many members of parliament have begun a lively, informed and productive debate among their constituents. Indeed, I am getting many requests from individual members for assistance in providing factual material, and in some cases logistical help.

One has only to pick up a newspaper, or to turn on a television set or radio to realize that the green paper debate is already under way. Generally speaking, the reaction I have had or heard about has been reasonably constructive. Obviously there are some—this is only to be anticipated—who criticize the green paper or question the government's reason for producing such a document. Having had some experience in this field now, I might say that we should all be concerned about extremist reactions from whatever direction they may come. I have said in this chamber before, as well as said publicly elsewhere, and I repeat it again now, that I believe Canadians will want an immigration policy which has universally applied selection criteria, a policy that is free from discrimination on the basis of race, colour or creed.

If I may go on to try to put this in its proper light, it is false to say that we are flashing a red light on immigration. It has been suggested that Canada might be wise no longer to consider uncontrolled immigration in terms of numbers, that there should be a re-examination of Canada's population future. I do not think anyone is saying that we should do anything less than at least manage the flow of immigrants. By embarking upon this examination quite openly and in public, it is not my intention to slam the door. It is not a red light but perhaps a caution light when the suggestion is made that we should proceed from here forward with more policy consideration than perhaps we had heretofore.

I think that the scope, importance and magnitude of the issues involved in the green paper demand very thoughtful and mature participation on the part of all Canadians. We will all be following closely the activities and deliberations of the special joint committee. This chamber of course will have another significant opportunity to examine immigration policy when, if all goes well, I present a draft bill to parliament in the fall for referral to the appropriate standing committee. I am quite sure that at that stage there will be an opportunity for very intensive scrutiny. That is suggested and planned. I look forward to the completion of this procees with the passage of a new Immigration Act and the accompanying regulations taking place not too far into 1976.

● (1540)

I would hope that the Immigration Act will be sufficiently flexible to accommodate whatever future population policy might emerge after the intensive federal-provincial consultations to which I earlier referred, but in that sense I really do not believe we can afford to wait for these longer term policies before dealing with immigration legislation. Certainly in my view it is essential that our immigration laws be brought up to date as soon as possible, particularly if we are to cope with changing world conditions and if we are to have a legislative framework within which to manage better our own immigration programs.

I appreciate the opportunity of leading off this debate. I look forward to the remarks of hon. members opposite, and to the House giving its approval so that we can get on with the deliberations in the committee on this very important matter.

Mr. Jake Epp (Provencher): Mr. Speaker, I thought after you put the motion that we were playing musical chairs like, "After you, Alphonse," to settle who was going to be first. I thought an agreement had been reached prior to calling the motion that the minister would lead off with a short statement on his views on how the committee first

of all should be struck and what its major functions should be.

It is my intention today, on behalf of the party of which I am a member, to place before the House some of our views on the approach we feel the committee should take, and in respect of some of the questions that we feel must be discussed by the committee. I should also like to point out the manner in which we think these discussions should take place.

Since the motion to create a joint committee was tabled on February 24 we have been very much aware of certain provisions within it which we believe need explanation and clarification. This committee which many of us have been waiting for some time to begin its work, is now to undertake this function. There are certain concerns I should like to place on the record.

On February 3 the minister tabled the green paper, at which time this party called for the creation of a select parliamentary committee to study that document and the questions which flowed from it. I am pleased the minister has seen fit to accept that suggestion by formalizing it into the motion we have before us at this time.

It has been and remains our concern that the main estimates tabled by the government should be studied in detail, just as the estimates of any other department, by the Standing Committee on Labour, Manpower and Immigration, regardless of the work to be done by the select committee. We thought the special committee should be struck regardless of the work undertaken by that parliamentary committee. Following the tabling today of the supplementary estimates by the President of the Treasury Board (Mr. Chrétien), that caution is even more important than at the time of the tabling of the green paper.

I understand that the powers the committee is to have, as outlined in the motion, are fairly straightforward, and I do not want to deal with them at any length.

Since the tabling of the green paper on February 3 certain questions in the minds of many of us have been accentuated. The first question I want to mention is minor, but I think vital to the success of this exercise. This question relates to the simple fact that the green paper is not available. I hope the minister and the government will take it upon themselves to effect wide distribution of the green paper. If we want public debate we must get this document in the hands of those who are to react and take part in the debate.

An hon. Member: We can't afford that.

Mr. Epp: In view of the spending estimates, perhaps we cannot afford that. I understand the highlights are available, and that the complete four-volume green paper costs approximately $12. If we want the Canadian public to react, the green paper should be available. I understand that members have asked for a second copy to be placed in their constituency offices where at least people can come and read it, or perhaps take it home for a few days, but even that request has been denied because apparently copies are not available. I want to impress upon the minister that it is vital that this information be placed in the hands of Canadians. I am not trying to be picayune, but I think this is a matter that should be looked at with great speed by the minister.

The second matter which has come to my attention since the tabling of the green paper is the impression a number of people have that this is simply a public relations exercise on which we are now embarking in that really the decisions have already been made by the government, and that all the discussion and debate on the green paper are designed to reinforce the tough decisions of the government.

An hon. Member: Taking the heat off.

Mr. Epp: Yes, possibly taking the heat off. I was pleased that the minister in his statement today said he wanted to lay before the Canadian people all the facts, and that he wanted to be frank with the people. The Minister of Finance (Mr. Turner) prides himself on his frankness as well.

An hon. Member: He is frank.

Mr. Epp: If that is being frank then I had better go back to my dictionary to find out what the definition really is of that word. Let me impress upon the minister and the government that if we want a candid reaction from the Canadian people, and if this exercise is to be meaningful, then we cannot skirt certain issues. I agree that we should not approach this from an Archie Bunker point of view, but rather from a frank point of view as to how the whole population growth and demographic status will effect us as Canadians.

Among the important aspects I think the committee should look into is the type of population growth we really want. I come back to the statement I made on February 3 when the green paper was tabled, that we are looking for an immigration study as a result of which we will hopefully get into a population study. To me that sounds backwards, but that is the approach we are taking.

We must also study what kind of a country we really want, and in this regard certain things have happened since the points system was introduced in 1967 which have had an effect on the make-up of our Canadian population. I hope the committee will be very frank in its analysis and report to the government on this aspect.

Another aspect the committee must consider involves regional differences. It is true that more than 50 per cent of the immigrants who come here go to our three major cities. There are specific conditions which have resulted in this allocation that the committee must consider. At the same time there are regions in Canada to which immigrants have not gone in great numbers, where today they are still welcome because of the requirement to fill the jobs available. The committee must also consider the whole question of migrant labour.

Yesterday I saw a program televised on the national CTV network called "Inquiry". That program bothered me because of its negative approach to an unusual immigration question. If we are to approach these questions from a negative point of view we will run into trouble as a nation. We are not going to get the candidness and frankness we need in order to make the long term decisions necessary.

Another matter the committee must study is third world immigration, or immigration from those countries from which we traditionally have not received many people. Again may I say that I hope the committee can look at this question frankly and fairly, and that once having received as much information as is available it can then come in with a recommendation that will be acceptable to most Canadians.

● (1550)

Further, there is a question which has been skirted by many people since the tabling of the green paper. I refer to the question of francophone immigration. As the government indicated in its statement of October 22, 1974, the new immigration is to be related directly to job availability. If this is so, then we should look critically at the situation to see whether we are to use immigration as a vehicle to promote the ratio which presently exists between English and French speaking Canadians. I am not trying to be divisive in this regard. However, I feel that often this is a question which lurks in the background of people's minds but is not answered. This is a question which should be looked at fairly, critically and objectively.

More division is created merely by saying this is a question which must be looked at, but once it has been looked at we must arrive at a consensus. I think the government should be looking at this in that spirit. It will be necessary to have public reaction in respect of this and other matters which I cannot mention now because of the time available. I want to impress upon the government very strongly that if it wishes to have the views of the Canadian people it should ask for those views, and then accept them. I say to the government that it should not ignore the views of the public as being unimportant.

There is a third matter which I believe should be placed before this House prior to the establishment of the committee. I refer to the time frame in which the committee is to work. From my understanding of the minister's words and from my reading of the motion it appears that the committee is to complete its work in Ottawa, is to travel to various cities in Canada, and then is to write its report by July 31, 1975.

The second part of the schedule is that the minister hopes he can prepare legislation on the basis of the information received, which is to be presented to the House in the fall of 1975, and he hopes that the immigration legislation will be passed early in 1976. I, and many members of this House know that a new immigration act is desperately needed. The last act, which dates back to 1952, has been amended many times. Unfortunately there have been more regulatory amendments than specific legislative amendments passed by this House.

While I concede the minister's schedule, the time frame concerns me somewhat. It is a massive process we are to undertake. Let us be frank about that. If we are to have large scale public input and dissemination of the information received, the undertaking will be massive. The members of this House who will be members of the special committee have other obligations and responsibilities. So the task is a large one.

I fear that the stricture of the July 31 date will create a difficult situation. I fear that there may be a number of groups who will not have an opportunity to react, or that the committee or sub-committees will visit the major centres of Canada and that the smaller centres might not have a visit from the committee or sub-committees. Because of this many people may not have an opportunity to react to the green paper or present their views. As a result there may be complaints from many people that they did not have an opportunity to present their views.

I want to place a caveat on the record on behalf of my party. While we recognize the minister desires this schedule in respect of the study of the green paper, the date of July 31 is of great concern to us. While I do not intend to appear pessimistic or negative, I feel that in the initial stages the process will be agonizing because many of the questions strike at the very fundamental approach and attitude Canadians have taken in respect of this country.

We have welcomed groups of various backgrounds to this country where they can make their own way. After the initial reaction has been received when the committee has started travelling, after the views of Canadians have been received, I wonder whether the time frame is sufficient to provide for a period when Canadians will have a chance to think again, and reach a consensus in respect of this democratic Canadian goodwill. I would hope that the time frame would be such as to provide an immigration policy which recognizes all the population and allows a democratic approach to the question. Therefore I wish to impress upon the minister and the government very clearly that while the July 31 date is embodied in the motion it causes me a great deal of concern.

There is another problem which has come to my mind since the tabling of the green paper. I should like a reaction from the minister in this regard. I have received reports from immigration and customs officers who fear that a large number of people will soon enter Canada illegally because of their fear that restrictions will be imposed on immigration. There is a feeling that amnesty will have to be provided again in the not too distant future because it would be difficult to deport the large number of people who might be involved. I should like to impress upon the minister that it is incumbent on the officials of his department to be very wary in this situation.

In conclusion may I say that this party welcomes the work that is before us even though we see it as a massive undertaking. We are willing to co-operate; we are willing to co-operate on the basis of goodwill and frankness, on the basis that this will be discussed freely and that any information which is needed, which is accessible to the government and to no one else, will be made available to the committee and to members of the public in order that the final result will be that the committee will have travelled across Canada, that public hearings will have been held, and that out of this will have flowed an immigration policy that is fair, one with which most Canadians can identify, and that the result will be beneficial to all of us.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am opposed to the establishment of this committee. I am opposed not only because it is to be a Senate committee

but also on the basis that if we are to look at the whole problem of immigration, which I doubt, then we should do it in as straightforward a manner as possible. If the other place is to be the place of sober second thought, then it should not make the original decision.

● (1600)

I suppose that there have been more changes made in the immigration program since 1952 because of the administration of that program than there have been in most programs. In fact the present immigration program bears little relationship to previous programs because of changes in administration. I would go so far as to say that it does not matter what the committee does, whom it hears and how extensive the opposition is, because officials in the minister's department have already made up their mind on the kind of immigration act they want to have, and the criteria on which it should be based.

I presume that if they wanted to, within two weeks the officials could present us with an amended immigration act. Evidence collected by the committee in its travelling across the country will do absolutely nothing to change their minds even though the committee's travels might stir up a lot of opinions that are under the surface and have not come to light.

It is a fact that in the last few years we have taken precautions not to establish a quota system but to change the regulations so as to establish exactly how many people we can allow into the country. We know how to stall in one area so as not to have more medical doctors coming in, and we know how to handle the situation in other areas where there is a need for doctors. We even know how much money it costs us to advertise to keep the right balance in this regard. All that has been done by the administration of the program, not by policy, not in accordance with the wishes of the Canadian public, and also not necessarily against their wishes. It is my personal opinion that this has been a fairly satisfactory arrangement.

I am aware of the fact that many people have been brought into the country, but it is interesting to remember that the last Immigration Act was brought in less than ten years after we actually established Canadian citizenship. Before that we were all British subjects, so the changes that have been made were drastic changes made in a relatively short period of time.

I am one of those who think that the immigration policy is not a complete mistake. This has never been more apparent than when the public was consulted and asked to accept refugees. This happened after the second world war, and since then from time to time when serious problems have developed throughout the world and certain countries were asked to accept immigrants on a refugee status. Most people will agree that in accepting those refugees we did not upset the balance we had already established, that in fact we maintained it by accepting people from various parts of the world, in spite of heavy immigration from central Europe after the war.

I suggest that the committee in travelling around the country and hearing representations in the short period of time given to it will not provide the public with the opportunity to express itself as to whether or not a definite and strong control should be exercised over the type of people we bring into Canada, as to the countries from which we bring those people and, much more important, where we should establish them in Canada.

We are well aware of the fact that in this country we have been plagued with pressure groups which have had a great deal of influence on officials in the Department of Manpower and Immigration. For example, let us consider the problem we have had with the medical profession. We have followed an open door policy with regard to medical people from any part of the country on two or three occasions, but recently we changed that position to one of almost total restriction. Medical associations in Toronto have said repeatedly that they have enough doctors in the province—although they turn out doctors from Ontario medical schools in limited numbers only—that they do not want any more doctors brought in because it will cut down on their incomes.

Almost all of the pressure groups have failed to take into consideration the needs of the population, and that involves the basic problem which the minister has mentioned on a number of occasions, namely, the difference between immigration to urban centres and immigration to the rural areas of Canada. It is true that the medical profession does not want any more doctors in Toronto than already there, and it wants only certain types of doctors or specialists, but it could certainly allow a large number of additional doctors to settle in other parts of Ontario, such as communities in parts of northern Ontario, which covers more than half the province, where doctors in every specialty and in every category are desperately needed.

Immigrant doctors are being prevented from practising there because the number of doctors in the province is restricted, and most are to be found in urban centres. Obviously medical associations are in control of the situation through hospital boards. The same is true with regard to plumbers and other trades and professions. They have methods of bringing about changes in the administration of the act.

I do not see how that situation can change in six months. I do not see how we will be able, in talking to people, to obtain an unbiased opinion as to whether or not it would be wise to decentralize our population growth, whether it would not be wise to bring in immigrants to rural areas in such a way as to have them stay there. I know that this poses many problems. When displaced persons came to Canada after the second world war they came on condition that they stay for two years in the job which they were originally given. Many of them stayed longer.

However, now we are interested in bringing in people for employment in mining, forestry and all types of development in the mid-Canada corridor where most of our resources are located. Where do most immigrants settle? Obviously they gravitate towards large centres of population, because in most cases, that is where their friends are and where they assimilate best. Also, they can find employment there easiest. In other areas of Canada, efforts will have to be made to find them employment.

In my own area in the last few years a number of people of Dutch origin have arrived and settled. At first they had

much difficulty and put a lot of effort into starting in farming operations in a small way. However, in only eight or ten years most of them have become pretty successful. I think that we were ill advised in placing them in that kind of community and asking them to start at the bottom, because if we provided them with some incentive they could become efficient producers right away because they are mainly well trained and they adapt to the community very well. However, they do not have money, and we do not help them make a go of it.

I am sure the minister will say that it is very hard to make people settle in a certain area, and I think that is true. I have often thought that possibly the Arab-Israeli problem could be solved if we brought either the Israelis or the Arabs—or perhaps even both—and put them somewhere in the sub Arctic region where they would have to make a go of it. Both are very enterprising peoples and would make a go of it, but the difficulty would be in keeping them there. That is an extreme position, however, and I am not really advocating it.

● (1610)

However, I do believe that we will have to bring people from other countries and that they must fit in, not in four or five generations but right away, and help develop the area where they settle. That does not appear to me, as a person from Northern Ontario, to be the city of Toronto. It does not need any more people. As one hon. member said, all that would do is establish a nation of Archie Bunkers. That is already happening, of course. If you ride the streetcar in Toronto you can hear people ask why foreigners are allowed into the country to take their jobs.

Of course one could easily stir up prejudice across the country; this government did that once and found there was more prejudice than it could handle. It is important, however, that the government have some indication of where prejudice exists. It is one thing to ask a man who works in a factory in Toronto what his position is on immigration, but it is another to ask someone who has been laid off his job and then sees someone else get it. The answers are likely to be quite different.

I believe the minister and his department have decided what the bill is to contain, and that this preliminary discussion is just an exercise in futility. His officials have studied the problem firsthand year in and year out. It is not something that developed overnight. We are not going to depopulate the over populated parts of the world and see how many people we can fit into Canada. Of course I do not think the minister is suggesting any such thing, nor is he suggesting that we should decide what the population should be by the year 2000 and work toward that target.

Immigration will be accepted in this country as long as it flows in harmony with our needs and ability to absorb it. We have never had a closed door immigration policy, and we should not start now. If the government wants to develop an immigration policy that is acceptable to the people I think it should first tackle the problem of urbanization.

Immigration officials, and persons connected with the other agencies who have close contact with the people who arrive in Canada daily, will be able to inform the committee of the problems they encounter. They know the difficulties that an immigration policy must tackle for certain classes and types of immigrants. I am not opposed to allowing the department to make the decision on what direction we want that policy to move. They are the people with the expertise, although certainly the minister must put his foot down every now and again to make sure that they retain a touch of humanity. I have not been unhappy about the flow of immigration, but I have been somewhat unhappy about the distribution and the rush to the major cities.

[Mr. Peters.]

It seems to me, Mr. Speaker, that the minister would do better to introduce his new immigration act today rather than wait the six months he has allocated for this exercise. I listen to the hotline programs, as I am sure the minister does, so we know the prejudices that exist in the country—there are probably as many prejudices as there are citizens. Over the years I think Canadians for the most part have welcomed people from all countries and all ethnic backgrounds, and such people have helped build the Canadian mosaic. In most cases, Canadians felt they were sharing with the newcomers the resources that we have in abundance.

It should always be borne in mind that it does not really matter how poorly the immigrant is educated or from which country he comes. When immigrant children grow up and attend Canadian schools they are assimilated, because they are just as intelligent and have as much ability as anybody else. They have just as good a chance of getting ahead and making a contribution to the nation as the other children. When I worked in the mines many of the people there were almost illiterate, but their children grew up to make a name for themselves across the country and become a credit to the community.

We must be careful not to develop prejudice. We must not tell people that they have to speak French or have to speak English, or if they are Italian that they must go to Toronto, or if they are Greek that they must go to a Greek community. The minister's green paper exercise may well encourage resentment and prejudice. I am sure the minister can avoid this. If he heeds the kinds of recommendations normally made by a committee and by special interest groups, I am sure he can amend the Immigration Act and enable it to do the sort of job it has always done.

● (1620)

I put it to the minister that we are not dissatisfied with the results of immigration. Immigrants to Canada have become a credit to this country. Sure, some objected to Chilean refugees entering on the ground they might be Marxists; others objected, after World War II, to displaced persons from Europe entering, on the ground some of them might be Nazis. I am sure that some of these fears were well founded. All the same, one generation after the entry of these immigrants, what do you find? In almost every community the immigrants and their descendants have made a fine contribution to our national fabric. Yes, some of them are in this House. So do not let us say that we need immigrants only from England, or France, or that we need to keep the Chinese balance, or that we need more Italians and Greek people.

Mr. Nystrom: Don't forget the Swedes.

Mr. Peters: We must not forget the Swedes and Norwegians. The Nordic peoples never needed much defending. They always defended themselves. They are not prejudiced, and people are not prejudiced against them. But, Mr. Speaker, we do not want the kind of prejudice I am speaking about stirred up now.

Why does the minister want a joint committee of the Senate and the House of Commons to study this question? I know that Mr. Dawson called the Senate the place of sober second thoughts, but the minister wants those sober second thoughts at the beginning of the discussion. The members of this House are elected; the members of the Senate are not. I therefore think unless we had a referendum, that if we are to investigate the wishes, aspirations and desires of the Canadian people on immigration, the members of the House of Commons should conduct the investigation. Once we pass a bill the Senate will have the right to amend, or to consider it with sober second thought. Of course, the Senate will do nothing of the kind. It is largely composed of Liberals, and Liberals will dominate the committee. The minister is trying to kill two birds with one stone, and I object.

In any event, Mr. Speaker ruled the other day, in connection with another matter, that co-operation between this House and the other place is not always desirable. I think the standing orders of the other place prohibit it in certain instances. Why ask for the establishment of a joint committee to study immigration?

The minister might be influenced by the fact that the other place is to be covered by CBC television. Probably the minister and other members want to bask in the reflected glory of Senators who may enjoy exposure on national television. I hope that is not what the minister wants.

A new immigration policy will only last for about 20 years; after that, because circumstances change, the policy will change. That being so, the committee in its travels across the country must exercise caution in making sure that it does not bring forward prejudices rather than ideas. As the woman appearing on television the other night in Toronto said, after the green paper has been given a full airing we may become a nation of Archie Bunkers, with every person looking over his shoulder at his neighbour. This has not happened before in this country, and I hope it never will. Canadians are charitable; they know their country is rich and are willing to share its riches.

Canadian immigration policies have worked to the advantage of Canada. Ethnic groups who have entered this country have made their contribution to Canada. Most become Canadians. The second generation, the descendants of immigrants, are pretty nearly indistinguishable from those who welcomed the original immigrants.

The minister's officials no doubt have ready a draft of the legislation which is to be presented some time after July. No doubt it could be introduced in this House within the next two weeks. In any event I suggest that the minister should seek his consensus from the Canadian population without raising the spectre of prejudice. Quite possibly the minister's suggested way of proceeding will not result in harmony being established. Possibly, the information he seeks can be obtained only by a full investigation. In any event I strongly urge the minister to appoint a committee of this House only. Let us not make it a joint committee, a committee on which the other place will be represented. A joint committee should not consider the proposed legislation before it is even presented to this House.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to make a few comments on the motion of the Minister of Manpower and Immigration (Mr. Andras) for the appointment of a special joint committee of the Senate and the House of Commons to collect the views across the country of the citizens concerned about immigration, with a view to reorienting or reviewing the Canadian immigration policy.

Mr. Speaker, this debate need not be lengthy to be useful, this afternoon, since in the final analysis we are asked to decide whether or not a committee will be appointed, and if so, what its powers will be.

Mr. Speaker, when we talk of immigration, when the Minister of Manpower and Immigration launches a debate by publishing a green paper and distributing it across the country—I have here the briefs submitted by our fellow citizens on this important subject—he must expect that the debate will not be limited strictly to immigration as such. Canada is not a closed country, nor can it be. We cannot erect a fence around Canada and say: In the future, no immigrant may enter Canada. Obviously not. On the other hand, Mr. Speaker, when immigrants are being recruited for Canada in their native lands, this recruitment must obviously be done in terms of the objectives and interests of Canada.

An immigration policy cannot be formulated that will please all the countries in the world to the detriment of Canada. That immigration policy must respect the objectives and interests of all Canadians from sea to sea. It seems to me, Mr. Speaker, that this is what was wrong with our immigration policy in the past. In many cases, immigrants have been required to do what is commonly known as the dirty work, seasonal jobs, as is now the case, for instance, in Quebec in a certain conflict at Louiseville, of which the minister has been informed. Workers are brought in to do a certain job and are then left to fend for themselves in the administrative mess of immigration. This shows, Mr. Speaker, that there is a problem in Canadian manpower as far as certain jobs are concerned, and that the present Immigration Act is often made flexible in the interest of the government but not of the immigrants.

On the other hand, Mr. Speaker, how are immigrants recruited? How are they selected? What kind of an investigation is made about these immigrants? When they arrive in Canada, how are they received, regardless if their native country? It is important that Canada, since we want and need immigrants, receive them sensibly and in an orderly fashion. Let us imagine a foreigner who arrives in Canada to stay and asks for immigrant status and who is left on his own, very often with language difficulties. What becomes of him? He will depend on the government to survive instead of being able to find for himself.

There are some great Canadians of foreign origin, and we all feel that the majority of immigrants have made a

very important contribution to Canada. We have only to think about the construction of the railroad in the West to realize that without the immigrants, this railroad could never have been built when it was by Mr. Macdonald. This is only one example among hundreds that show the important contribution of these people.

Mr. Speaker, I know personally several immigrants from my constituency in Montreal and in Quebec City. Many of them were faced with enormous difficulties from immigration offices when they tried to obtian their residence permits and Canadian citizenship. They did not receive from government agencies quite the reception they needed to integrate fully into Canadian society. You will hear these immigrants complain that Canadians point the finger of scorn at their children, for Canada is not yet mature enough to accept immigrants who have skins of a different colour and who speak a foreigh language.

Mr. Speaker, there is a humanitarian aspect to immigration which must not be overlooked.

Based on these general considerations, I feel that this committee will have many parts to play and will have an important function, depending on the orientation the minister chooses to give it. First of all, it will have to listen to what Canadians have to say about immigration and immigrants into this country. Then it will have to listen to what immigrants have to say about the current policy which many of them had to stand. Third, we will have to promote an effective dialogue and not merely a monologue between the Canadian people and the immigrants, so that we may establish together an immigration policy serving the interests of both the Canadian people, especially the economic and social interests of manpower, and the immigrants.

Mr. Speaker, such were the few comments I wanted to make in that connection. In conclusion, I would like to point out that Quebec is experiencing a serious decline in its birth rate. Moreover, statistics show without doubt that immigration has not always serve the Quebec interests. God knows that I am not a separatist and I would like to repeat it to the minister, I believe in Canada. I feel that immigration can help Quebec. Mr. Speaker, when establishing a national policy on immigration the distinctive entity of each Canadian province will have to be maintained.

● (1630)

By then, the minister will certainly have taken a step forward. The present Immigration Act is discriminatory in respect to the distribution of immigrants because of the advertising about the provinces of Quebec, Ontario or British Columbia, so that, in the last analysis, this policy has been detrimental to the general interests of the province of Quebec.

Mr. Speaker, in many instances, immigrants are not advised that the language spoken in Quebec is French. On his arrival in Canada, the immigrant feels lost in cities like Quebec, Victoriaville, Sherbrooke, Trois-Rivières or Chicoutimi, because he does not know the language spoken there. He had not been told about it.

I believe the committee will have to consider this matter. Basic data will have to be provided so that the citizens of every province, and particularly the people in Quebec, may be consulted so that an immigration policy useful to every province may be developed.

I can see the Leader of the Progressive Conservative Party (Mr. Stanfield) in the House. He once was a provincial Premier and he should be in a position to back what I say. It is important for provincial governments that our immigration policy should be one of help, and should not lead to frustrations, problems or troubles, especially in a province where in some respects the problem for immigrants is of a linguistic nature.

Mr. Speaker, I must add that, unfortunately, a great many Canadians resent the coming of immigrants to Canada. I am not one of them. However, I have to admit that Canadians are right in their often harsh but also positive criticism of immigration. How many Canadian families, they say, are unemployed, how many workers in Canada, in Victoriaville or elsewhere are unemployed, have difficulties with their governments, are the object of disrespect in their relationships with civil servants and public agencies? How many Canadians feel frustrated because of the economical, political or social situation? Mr. Speaker, we shall re-open the door to immigration some way or other to bring in labour in Canada.

According to Chapter 14, page 17 of the Green Paper, with respect to funds alloted to immigration, $41,718,000 are spent for immigration purposes in general. Mr. Speaker, that is a considerable amount of money to bring in manpower, and every time we do so we bring in new problems. Maybe our manpower policy is a negative one. Our present labour policy deters Canadian workers from working in particular areas. It is definitely outdated, definitely not adapted to our automation, modernistic society, and I think neither the Minister nor the Committee should restrict themselves to the only matter of immigration. They will have to agree to broaden the scope of this public debate for the impact of the immigration year on Canadian labour to be studied.

Mr. Speaker, should we heartily welcome in Canada 10,000 perfect immigrants in all respects, serious people, industrious, honest people, if at the same time Canadian workers were denied certain jobs and those immigrants were given preference, I think, Mr. Speaker, that in such a case the immigration policy would not serve the immigrants' interests since they would be put into conflict with Canadians. Neither would the immigration policy serve the Canadians' interests since they would be put into conflict with the immigrants and would be deprived of an eventual job. Finally, this immigration policy would have been a source of frustration and division in our country rather than unification of Canadians.

We will build our country, because immigration policy will contribute to the building of a country, to the extent where before speaking of immigration we will be willing to make good use of our labour, in order that Canadians can work according to their characteristics, their tastes, their personality, their creativity, before providing immigrants with similar jobs or calling in Canada other people.

In other words, Mr. Speaker, on that extremely important issue of the scandal that took place in Louisville—I call that a scandal, it is disgusting—I say those things should not happen in 1975.

In Louiseville, a certain company brought in manpower to do a kind of work, and at the end when they ran out of work, before the department and other people saw to it, and especially before those people got going, they wanted to send the immigrants back home. It is a bit like what happened in the case of the Haitians.

Mr. Speaker, I find it scandalous to displace foreigners who are our brothers, humans of other countries, to bring them here, and then get rid of them and send them back. If Canadians do not want to do certain jobs, it proves that our manpower policies—not necessarily Canadians—are wrong. Even if UIC officials, public investigators who run around, instead of looking for cheaters, to catch Canadians, strangle them and make them pay fines because they allegedly cheated the government, I say that efforts should be made to encourage Canadians to work. Then, Mr. Speaker, Canadians would believe a lot more in the future of their country. When that becomes a reality it is sure that with their pride and their nationalism they will be happy to share their national pride with people from other countries. Let us not ask Canadians to accept immigrants, whatever their origin, their language, their race or their religion, without knowing first if Canadians are ill-treated or forgotten. Mr. Speaker, if we want Canadians to really participate in the life of this country, if we want an immigration policy to really be valid and effective Canadians themselves must not apply it at home.

Finally, Mr. Speaker, there is a bad habit in this House when a special joint committee is set up and travels across the country to examine a question, there is a bad habit of sending such committees to larger centres—Vancouver, Toronto, Montreal, Quebec City sometimes. Indeed, I am quite convinced there are as many people in Victoriaville in my area, in Trois-Rivières, Drummondville or Saint-Hyacinthe who have as many valuable views as people in Montreal or Toronto. I think that people in Toronto and Montreal did not invent anything. They do not have the monopoly of truth, Mr. Speaker.

If the minister is serious and really logical, if he wishes to raise a public debate at the national level, I think he should manage to convince the members of this committee to hold more than one hearing in the Northwest Territories, in Yukon, in Whitehorse, Saint John, Quebec City, Montreal, Toronto or Ottawa and not say goodbye, our terms of reference were for six months only.

Mr. Speaker, if the minister really wants Canadians to participate and really wants to know their views, I think we should go also in small urban centres and even in rural communities. How many immigrants went to settle in these areas or in small towns like Victoriaville or Drummondville? How many? It could be surprising, but they are many. This is why there are Canadians in Victoriaville, Drummondville, Saint-Hyacinthe, Trois-Rivières, who have to welcome immigrants. Those Canadians should be given the opportunity to express their views concerning the formulation of such a policy.

Lastly Mr. Speaker, there is an example I wish to mention. I had a friend from France who was told that he could come to Canada with the teaching degrees he had. He left his position in France and came to Canada in a municipality that I shall not name as it is small and everyone would know who it is.

Then he came to Canada and the Quebec government never recognized his degrees. He had to go back to France at his own expenses. He had to make a general collect, to beg and return directly to France. Mr. Speaker, he had become my friend and could have made a good Canadian but because he had been misinformed he returned to France with a poor opinion about our country. I feel sorry about it because he could have made an excellent Canadian and because he returned there and will reflect a bad image of Canada. But he talks about what he saw, what he felt, and he has had a bad experience.

Mr. Speaker, I think that if the Minister wants to start a profitable dialogue with the population, he must expect that the discussion will not be restricted to the question of immigration. The whole question of immigration will have to be debated, that is from the leave from the country of origin to the moment of arrival in the host country, and the manpower policy will have to be taken into account. I think the minister must expect, anyway, that the Social Credit party will make representations on the judicious use of Canadian manpower to encourage our families, our workers; then we can speak positively about immigration. Only under those conditions, Mr. Speaker, will an immigration policy serve both the interests of immigrants and those of Canada.

● (1640)

[*English*]

Motion agreed to.

* * *

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT TO INCREASE MAXIMUM AMOUNT OF ADVANCE PAYMENT

The House proceeded to the consideration of Bill C-10, to amend the Prairie Grain Advance Payments Act, as reported from the Standing Committee on Agriculture.

Mr. Baldwin: Mr. Speaker, I am in a very embarrassing position, something which is unique for me, I believe, in this House.

Mr. Turner (Ottawa-Carleton): That is the one position you feel comfortable in.

Mr. Baldwin: I thought, after discussion with members on the government side, that the intention was to proceed with Bill C-43 relating to the Law Reform Commission. We had undertaken that there would be rapid passage of that bill, but the hon. member from our party who had some comments to make, the hon. member for Fundy-Royal, is not here at this point—he had intended to be here by six o'clock so that he could speak at eight. I am told he has encountered some difficulties about getting here. I had told members on our side who are concerned about this other legislation now before us that it was doubtful whether it would come on until this evening. That is the position in which we find ourselves.

I can see the hon. member for Timiskaming in his place. I am sure that if he and I were driven to it we could make a number of speeches. Perhaps even a member on the

government side might be persuaded to open his mouth for a change. However, since we have done so very well today, as well as doing very well on Friday and Thursday of last week, I hope the House might be flexible enough to permit Your Honour to see that it is now five o'clock.

● (1650)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I go along with that suggestion and make a slight addition to it. There are three bills for which report stage is being asked, on none of which there is to be any debate at this point. Why do we not give those three bills their report stage concurrence? We can then post them all for third reading, and have third reading debate on one or more of them tonight. This will get us a little closer to five o'clock, and we can then take the motion of the hon. member for Mackenzie.

Mr. Baldwin: Mr. Speaker, there are times when my hon. friend is apt to be scintillating, and this is one of them.

[*Translation*]

Mr. Fortin: Mr. Speaker, I agree entirely on that proposition. If I may be allowed a comment, Bill C-44 might be added.

[*English*]

Mr. Knowles (Winnipeg North Centre): No, it is not at the report stage.

The Acting Speaker (Mr. Penner): The House has heard the suggestion. Is it agreed that the three bills at report stage be given concurrence by the House, and third reading reserved until later this day?

Mr. Knowles (Winnipeg North Centre): Let us do them one at a time so that the government does not slip anything in unnoticed.

Mr. Baldwin: That is right. They might include Bill C-44.

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-10, to amend the Prairie Grain Advance Payments Act, as reported from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Penner): When shall the bill be read the third time? By leave, later this day?

Some hon. Members: Agreed.

* * *

LAW REFORM COMMISSION ACT

AMENDMENT TO INCREASE THE NUMBER OF FULL-TIME MEMBERS

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-43, to amend the Law Reform Commission Act, as reported from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

[Mr. Baldwin.]

The Acting Speaker (Mr. Penner): When shall the bill be read the third time? By leave, later this day?

Some hon. Members: Agreed.

* * *

CANADIAN WHEAT BOARD ACT

AMENDMENT TO SET DATE FOR FINAL PAYMENT IN POOL PERIOD

Hon. Otto E. Lang (Minister of Justice) moved that Bill S-6, to amend the Canadian Wheat Board Act, as reported from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Penner): When shall the bill be read the third time? By leave, later this day?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saint-Hyacinthe (Mr. Wagner)—Industry—Textiles—Layoffs resulting from imports; the hon. member for Vancouver South (Mr. Fraser)—Public Service—Stoppage of grain shipments by strike of general labour and trades group; the hon. member for Okanagan Boundary (Mr. Whittaker)—Canadian Broadcasting Corporation—Alleged delay in establishing broadcasting station for Okanagan Valley.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

OLD AGE PENSION

SUGGESTED REDUCTION IN AGE OF ELIGIBILITY

Mr. S. J. Korchinski (Mackenzie) moved:

That, in the opinion of this House, the government should give consideration to providing old age security pension to all women at age sixty and that the qualifying age for all males be lowered by one year in each successive year to age sixty.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, since we have now called it five o'clock, whatever the time is, I trust it is understood that the time allotted to the motion in the name of the hon. member for Mackenzie (Mr. Korchinski) will run until six o'clock.

The Acting Speaker (Mr. Penner): Is that agreed?

Some hon. Members: Agreed.

Mr. Korchinski: Mr. Speaker, it is with pleasure that I at long last rise to introduce this motion. Having been a member of the House for a few years I have repeatedly placed a motion such as this on the order paper, and hoped that at some time we might give consideration to this problem. I have been concerned about this matter for a good many years, as have many other members of the House, and as I am sure have others outside the House.

When one lives in a rural community one comes to realize that there are many in our society who are underprivileged, and one has the opportunity to meet poverty face to face. Many of us have known people who have struggled in their endeavours to provide a livelihood for themselves in one form or another. Some have met with tremendous success. Others in our society have, unfortunately, never tasted success.

There are too many people in this category. Many people in our society point the finger at the advances that have been made in social welfare legislation—and there have been many—but I have become concerned at the direction in which some welfare measures have taken us. It seems to me that our system of priorities has somehow become all mixed up, and perhaps it is because of the attempt by the ruling government of the day to cover as many people as possible and to pass many pieces of legislation that protect us, as the saying goes, from the cradle to the grave.

In recent years an attempt has been made to look after a group of people who, to my way of thinking, have not yet equally earned a right to their share of the wealth in this country as have others. In many cases we find the administration of social assistance schemes in the hands of provincial governments. Each provincial government has its own method of administering a program; some have a different set of priorities from others. Generally speaking they all work toward improving the lot of the individual, but some provide more assistance, or more opportunity for assitance.

Thus we have what appears to be a hodge-podge of plans that do not get to what I consider to be the root of a problem affecting too many people in their later years. Many of the people I am concerned with in this particular motion were, if they were fortunate, employed during the depression years, and if one goes back to those years one will remember that not too many industries had pension plans of any kind. Government pension plans in those days were simply ideas that were just taking root; the public treasury could not sustain an elaborate plan, and so many people today do not receive a pension of any sort when they retire. These people who find themselves in the twilight of their years are unable to retire from their fields of endeavour, but must continue in employment when perhaps their health is not such that would justify society asking them to continue. Thank God there are many who are in good health and are able to continue working.

● (1700)

I do not wish to place upon society a scheme which would be bureaucratically top heavy. Sometimes I believe the most simple way is the best way. We should be introducing programs through a system of evolution in such a way that we do not penalize those in our society who are paying the taxes, but at the same time look after the needs of others. We should have a system which allows those who are not able to continue actively in employment to retire. These people have surely earned this right.

Many of the schemes which have been in effect are meagre, and here I think of some of the pension plans the railway companies have had over the years. While there has been some form of pension scheme, many will argue that the pensions received in no way take into account the tremendous inflationary pressures we face today. It is time for the government to take into account those who have been employed in industry and who receive meagre pensions. It is also time for the government to take into account the self-employed people who have not contributed, in any way over the years, toward plans.

I think also of the many thousands of Indian people who have lived a very hard life yet have never had the opportunity to earn an appreciable income. There are many people today who are accustomed to working and are still struggling while this society seems bent upon relieving the pressure on other groups, and I think here of the young people. Some of the plans we have come up with may be admirable, and they may meet some need, but too often we hear the complaint that too many young people are on welfare while too many old people are unable to receive assistance.

I wonder why it is that we think it proper to move in areas such as unemployment insurance to relieve the stresses that may be inherent in not being able to earn a living, while at the same time we do not take into account the needs of those people, 60 years and over, who are unable to receive any form of assistance, and here I think of those who have applied for assistance which has been denied because of the invariable regulations that require them to dispose of all the possessions they have in order to qualify.

I have not framed my motion in such a way that we would suddenly be burdened with a huge tax bill in order to accomplish the goals set forth. I have suggested to the government that consideration be given to granting immediate pensions to women 60 years of age and over. In many instances such women have never been employed in industry. It is only in recent years that more and more women have been going into the labour market.

In many cases the men who have been the breadwinners have been employed in industry the nature of which has shortened their life expectancy. I think of those employed in the lumber industry, for example. No longer can those people be expected to go out into the bush and suffer the elements, as they have in the past, in order to continue to provide for themselves and their families. I think also of some of the evidence regarding employment in the mining industry. Very recently we were disturbed about what was

taking place in the asbestos mines. These people must continue to work, but they know that by doing so they are shortening their lives. Many of them would like to retire, yet they must continue because under our system a pension is not available until age 65. Our society must take a serious look at situations of this kind.

It is perfectly all right for the government to suggest it is moving in the direction of a guaranteed income plan, but the simple fact is that it will be many years before this is an accomplished fact. Such a scheme involves provincial participation. While there may be a willingness on the part of some provinces to participate in this scheme, the government will have to overcome many obstacles.

There are many people in our society who believe there is something proper about working for a living, and I belong to that group. There are a good many people who feel we have gone too far already with our welfare schemes. I am sure there will be resistance to the government moving in the direction of a guaranteed income plan. There are so many unknown factors involved in the 10 provinces participating in such a plan that it would be unwise for the government to move in that direction in haste. The government has been working on plans to be used as a test in certain areas, but before we get all the answers to our questions time will have moved on; it is this precious time that is of the essence, particularly when one considers that every day that goes by one is closer to the end.

There are many people of age 60 who are no longer capable of carrying on in their traditional employment. I have some statistics which indicate that the average age of a farmer today is 57. I personally know of many who would be prepared to sell off whatever small possessions they might have in order to retire, but because of the uncertainty of the agricultural economy they are obliged to continue working.

● (1710)

I am afraid we may be too late if we should move in the direction indicated by the government, which is the direction of an annual income for everyone. In that case many people may not receive any benefit. I am sure every member of this House is familiar with such cases in many parts of this country. A lot of these people have laid the foundation of our society as we know it today. They have done a good job.

The least amount of criticism one hears about the various plans we have in different welfare categories relates to the area of old age security. I am always dubious concerning plans which involve means tests in order that people may qualify. Many people find it very humiliating to have to announce to the world that, after a period of 60 years, they have failed. So they quietly shrug their shoulders and bury themselves in their little homes or apartments, living on what they have. I do not think this should be necessary.

One remembers the type of criticism we heard in respect of the old age pension being universal. We were given examples of millionaires, and there were a few around us in this House. The suggestion was made that millionaires would receive the benefit. I do not believe that is either a correct or fair approach. At income tax time one could give a few examples. We must realize that a transfer of payment is involved and that it goes back to the government. One might look at the number of public servants who will be required this coming year. One realizes that it is not in our general interest to build up a bureaucracy, because not only is it a federal bureaucracy that would have to be built up to administer any plan which would take into account any guaranteed income which may be perceived, but there is also the provincial bureaucracy that will be involved. Perhaps this is something we lose sight of, Mr. Speaker.

We must realize that it is not only the salaries of these employees which would be involved but also the cost of offices and general administration. In a sense there are hidden costs. The easiest way is to have a universal payment for those who have reached the age suggested in my motion.

Now I wish to mention another aspect of this matter. Many people will suggest this is a very costly plan.

An hon. Member: How much will it cost?

Mr. Korchinski: It will cost something in the area of $600 million a year. If one takes into account the total budgetary estimates of public funds, this represents something like two per cent. We must remember that there are something in the order of 817,000 unemployed persons and that many of these people would not receive assistance from the unemployment insurance plan. We must also realize that because of the assistance plans in many provinces it is difficult to estimate the total cost because one cannot calculate the amount that will come back in the form of income tax payments.

In the initial stages my plan would take into account some 380,000 females. There is a progression so far as males are concerned. Some 750,000 individuals would eventually be encompassed. We might look at the entire budgeted estimates for this year.

Mr. Deputy Speaker: Order, please, I must interrupt the hon. member because the time allotted to him has expired. Unless there is unanimous consent he will not be allowed to complete his remarks.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Does the House give unanimous consent that the hon. member may complete his remarks?

Mr. Knowles (Winnipeg North Centre): Two minutes.

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for Mackenzie.

Mr. Korchinski: I thank the House. I shall be very brief. I certainly do not wish to talk out my own motion. When one thinks of the fact that just over ten years ago our total budget was in the order of approximately $6 billion and now is something in the order of $28 billion, certainly the amount required in this case would be within our means. I ask the House not to talk out this bill but rather to give it careful consideration. In the absence of anything in the way of a guaranteed annual income I ask for this consideration in respect of the people in this particular group.

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I am grateful that this issue has been brought up by the hon. member for Mackenzie (Mr. Korchinski). But I find it is the absolute antithesis of equality. While women for too long have been dominated and controlled by men and by society, and while they have been restricted and without independence even in respect of the right to claim a mortgage, I still feel that a bill of this type would be an expression of national guilt, this would be as discriminatory as the past has been to women.

I favour the right of all people, male or female, to retire on pension at age 60 if this can be handled actuarially. But I also believe people should have the right to continue to work as long as they can be productive, since the period between age 60 and 65 is a period of perhaps highest opportunity and highest income in preparation for the inescapable time when we must all live on a fixed income.

Many men and women who have worked since their teens, for virtually 40 years of their lives, and who have contributed to the building of this country may be tired of existing in the work market and should be allowed to retire on pension. I would hope the Canada Pension Plan will one day be such that it can support such early retirement, so that people who have leisure may be able to travel as the young have been able to do in recent years. I want them to be able to travel and perhaps receive subsidies similar to those the young people have been receiving through various grants, while they are still vigorous and young enough to enjoy it.

However, I object to anything which gives special privileges because one is a woman, because one is an Indian, or because one is a Jew. It is inverse discrimination which is abhorrent to me. I think everyone, whether women or otherwise, should receive benefits on the basis of merit and equality.

I object very strenuously to this because it would give the employer the right to allow women to drift back into the position of being compulsorily retired at age 60. Again I say it is essential that we all have the right of choice to retire at a time when we know we can manage on the fixed income that is inevitable during retirement years.

● (1720)

I object to the motion because it is inverse discrimination which is tacit in this recommendation. It is a matter of concern to me that there are people who lean over backward to prove that they are not discriminating. To me this is the danger of such a well intentioned motion. I think it overcompensates for past omissions and discriminations. Perhaps it is a reflection of the national and industrial guilt that men now feel and are expressing.

I must say, however, that women have come a long, long way in the last five years, but unfortunately there are still men who are unaware of women's rightful place in society. When I sit in committees I always see groups of men in top executive positions, and I wait hopefully for the day when women will have the opportunity to become executives themselves with the attendant pensions that go with those higher offices.

I am opposed to any type of discrimination, no matter how well intentioned. I know I am repeating myself, but I learned as a school girl learning grammar that repetition is great for emphasis. So let me tell every one here who might forget it that inverse discrimination is as destructive to society as is discrimination itself.

Some hon. Members: Hear, hear!

Mrs. Holt: Over the years there has been too much waste of valuable talent, expertise and experience because of the enforced retirement of people. I do not think retirement should be established according to the calendar—it should be established according to competence. It is vital to Canadians and to Canada that all of us work, and give as long as we are capable of doing so and if we choose to do so.

Perhaps a formula should be worked out between management and employees so that people can work as long as they contribute. Unfortunately, it is always the management's choice when an employee should retire. They can keep people in their employment if they choose to do so, but the employee has no choice. Perhaps some day we will learn not to guide our actions in society by age or by sex but by the worth of the human being.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the hon. member for Vancouver-Kingsway (Mrs. Holt), I have one or two criticisms to make of the way in which the motion of my friend, the hon. member for Mackenzie (Mr. Korchinski), is worded. But I do not think that that criticism should take us away from the main point of the motion, which is that in one way or another pensions should be made available at the age of 60. In that respect I commend my hon. friend for having put forward a motion that produces a discussion of pensions, and I congratulate him on being lucky enough in the draw to get his motion before the House at this stage of the session. I hope that my motion, which is No. 39, will be reached before the end of the session, and I suspect, by the way the session is going, it will be, Mr. Speaker.

The criticism that has been made by the hon. member for Vancouver-Kingsway really is quite valid. Women seek not special privilege; women seek equality. I can understand the feeling of women with respect to a motion that asks for something for them that is not to be made available to women and men alike. That is why I hope that one of these days my motion in this area will be reached, because it calls for pensions under both the Old Age Security Act and the Canada Pension Plan to be available to all persons at the age of 60 who are out of the labour market or are prepared to leave it.

I have made this reference to my motion because I think it answers both my friend, the hon. member for Mackenzie, and my friend, the hon. member for Vancouver-Kingsway. It answers the hon. member for Mackenzie in that it does not discriminate between men and women; it wants the same benefit made available to both. I suggest that my motion answers an argument put forward by the hon. member for Vancouver-Kingsway, who seems to be afraid of pensions at a certain age carrying the implication that retirement is being forced. No one is seeking forced retirement. What we are seeking is the possibility of retirement, and there is no possibility of retirement unless adequate pensions are available.

I suggest to the hon. member for Vancouver-Kingsway, and to the hon. member for South Western Nova (Miss Campbell), if she enters this debate a little later, that it is not really heresy to be talking in this place about pensions at an age under 65. Right now it is possible for those who are in the RCMP or in the Canadian armed forces to retire at a younger age. Some of them who have done so would want me to remind the House of the fact that their pensions are not escalated by the cost of living until they reach 60, which is an injustice that ought to be corrected. At any rate, retirement at the age of 48, 50 or 52 is possible for certain persons, namely, those whom I have just mentioned.

It is also a fact that public servants generally are free to retire at the age of 60. They can go on working until they are 65, but they may retire at the age of 60, although their pensions could be less than they would be at 65, depending on how many years of service they have had, and also depending on the level of earnings during their best six years.

In addition to the fact that to all public servants the possibility of retiring at the age of 60 is open, it is possible for some public servants to retire at the age of 55. I refer in particular to those who have 30 years of service. A public servant who is 55 years of age or over and has 30 years in the public service, may retire at that point without any penalty factor in his pension. Thus, at 55 years of age a public servant who has 30 years of service gets 30 times 2 or 60 per cent of the average of his best six years as his pension.

There are instances in the public service today, particularly at higher levels, of persons retiring at ages between 55 and 60 because a reasonable pension is available to them. They are not forced to retire. No pensionable age, in terms of public pensions, forces retirement; it simply makes retirement possible.

I feel very strongly that the time has come when we should seriously amend our legislation to make retirement possible at the age of 60. That is what I seek in my motion. If my hon. friend's motion is talked out, I hope the same will not happen to mine. What I seek in my motion No. 39 is that under both the Old Age Security Act and the Canada Pension Plan persons who are out of the labour market or leave it could get their full pensions at that point.

I want to come back again to the point that the hon. member for Vancouver-Kingsway made about drawing the line between men and women. I am sure that the hon. member for Mackenzie did not mean to do that. He is well intentioned, as the hon. member from across the way said. He wants to get the pensionable age down. I think it is somewhat unfair to lower it to 60 right away for women but to tell men that they have to wait five years in which it would be brought down a year at a time.

● (1730)

The other point I want to make is this, Mr. Speaker. I am very much aware, from my contacts and correspondence, of the great number of women, particularly spinsters and widows, in that age bracket who feel the need of a pension without having to wait until age 65. But I am also conscious of the great number of men, particularly those in heavy industry who have endured the rat race about as long as they can stand it, who should also be considered for early retirement. Every time we go through an election campaign and I meet thousands of shop workers in my constituency, morning after morning as I greet them the men ask when the pensionable age is going to come down to 60. I often look at a man and think he looks older than I do only to find out he is about 58 and has been working in a foundry or a railway shop or the packing industry or in the needle trades and has been in the rat race for years. It is just as hard for him to keep going to age 65 as it is for a woman.

[Mr. Knowles (Winnipeg North Centre).]

I agree with the hon. member for Vancouver-Kingsway who says "Let's put this on an equal basis"; but I submit that is no reason for taking the other line that she did, that there is something wrong about discussing 60 as a reasonable retirement age. I think that has to come. I remember how we went all through these arguments when I first came to this House. The pension was then payable at age 70 and when we argued for it at age 65 we heard the same arguments that were used today—"We need to work", "You take away the meaning of life" and "The state cannot afford it". But we brought the pensionable age down from 70 to 65, even if we had to do it a year at a time.

I think the pension should be available for all persons, Mr. Speaker, and I think the best criterion to establish is that those persons should be out of the labour market. That would cover spouses between age 60 and 65, male or female, bachelors, spinsters, widows and widowers, but on the one condition—that they are out of the labour market. This leads me to say again that what I find wrong with the government proposal that is to come forward some time this year is that it would provide pensions to spouses between age 60 and 65 where the other spouse, male or female, is 65 or over and is receiving a pension. One thing wrong with that is the means test, but the fundamental thing that is wrong is that it says to some women "You will qualify because you have a husband; you are a spouse in that age bracket", but to other women, spinsters or widows, the pension will not be available. The same can apply to men. A man between age 60 and 65 with a wife over 65 will qualify for a pension. A man who is a widower or a bachelor in the same age bracket will not qualify.

There is just as much wrong with the government's proposal as there is with my hon. friend's proposal, Mr. Speaker. I think the slight difference is that my hon. friend is willing to listen to reason and change his, but it is difficult to change the government once it has laid down its position.

I welcome the motion before us this afternoon. The more times this subject comes up, the better. I enjoyed being here during the years when we got the pensionable age down from 70 to 65 and got the pension increased. The time to get it reduced from age 65 to 60 for all those people no longer in the labour market, is now, right now, today.

Mr. Deputy Speaker: The hon. member for Vancouver-Kingsway (Mrs. Holt) on a point of order.

Mrs. Holt: Mr. Speaker, under Standing Order 37(1) I take this opportunity with the greatest respect to correct the hon. member for Winnipeg North Centre (Mr. Knowles). He seems to have misunderstood or misquoted

me. I did not say that I do not favour retirement at age 60. I favour it deeply and feel it is most important. What I said was that I do not want the possibility of it becoming mandatory as it gradually might. I stress strongly that at age 60, people are vigorous and well enough to enjoy travel and they should have the choice. But I did not want it exclusively for women; I want it for all people who chose that course.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I suggest that is a correction of what the hon. member said and not a correction of my remarks.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to say a few words on the motion introduced by the hon. member for Mackenzie (Mr. Korchinski). On reading this motion, I wondered what was really the point of it. The hon. member probably wanted to please women, but I realized, after what the hon. member for Vancouver-Kingsway (Mrs. Holt) retorted to him, that he had defeated his object, because the member for Vancouver-Kingsway actually found in that motion a hidden discrimination against women. All the same, I am sure the hon. member who moved that motion was well-intentioned and wanted to give housewives the opportunity to get their pensions at sixty, even though they would have been ahead of the men for once.

Mr. Speaker, the matter of lowering the pension age to 60 is nothing new. We were the first to advocate here the granting of old age security pension. Pensionable age was first set at 70, and then lowered to 65. During two election campaigns we asked that pensionable age be lowered to 60. Ninety percent of the people favoured that move, although the government has been reluctant to do so until now.

We even forced them, during the last election campaign, to promise pensions at 60. Let me say at this point, to set the record straight, that we proposed pensions be paid at 60 only to those who wished to retire, and not as a compulsory move. During the last election, we heard Liberals promising pensions for 60 years old. We thought that we were finally going to get it. We thought this would be available to all Canadians. It has always been my position in this House that when reforms or amendements are proposed to social legislation, the first feature of the legislation should be universality. As soon as one enters into details, into sections of the act, discrimination starts. If pensions were paid at age 60, it would have to be real pension, not the current "gimmick" under which 60 percent comes from old age security and 40 percent from charity groups. One thing should be avoided, namely that the act require hundreds and thousands of inspectors to investigate pensioners' homes to see if they did not hide $100 or $200. This is simply ridiculous, is deriding the aged.

If a pension is paid, it is a pension, period. There should be no other test than birth date. No two bit inspector or civil servant should get into old people's homes to unsettle them and often make them sick. We asked the government a number of times to lower pensionable age to 60 for everybody, men and women, who would like to have it and we added that it should be given to the wife who is under 60, at least 65 today, when she had been staying home without salary. We then thought about the family salary; since the mother stays home, looks after her children, the father's salary is necessarily considered as a family salary; to supplement this salary we asked that the mother be given the same pension as her hunband when the latter reaches pension age. I think it is only fair. It is not discriminatory at all; it is only fair to the mother, in the absence of a better system; we should have the family salary today, the salary of the mother. There is no such salary and there will not be one immediately, at least not with this government.

To prevent discrimination, particularly in Quebec, where when the hunband reaches 65, the couple has to live four or five years only on the hunband's pension, when the mother is three, four or five years younger. That is what I call discrimination. I regard such laws as antisocial. This is why we were asking in these particular cases that the mother be given a pension similar to that of her husband.

Now the government at least says that next fall a pension will be given to the mother of a family at age sixty, but that in principle such pension becomes available at sixty five. But the mother of a family, probably in the fall—

An hon. Member: For the spouse!

Mr. Gauthier (Roberval): For the spouse, of course. A pension will be given to the spouse at sixty. I agree. But under what conditions? We say: Well, the spouse should not receive an income. He must have only his pension. Good care should be taken to have it that way. There will again be inquiries upon inquiries so that only 10 per cent of mothers will be able to have a pension. These are all little annoyances, little implications which explain why legislation passed here is effective to the extent of 10 or 12 per cent only.

Mr. Speaker, if this legislation is passed let it be passed for all mothers. The person getting an income pays tax at the end of the year. But that will prevent us from having the pension amount eroded by the small inspectors who are on the look-out thoughout Canada for all those women.

It would be so simple to simplify the legislation. But we complicate everything in the law. During my 15 years in this House, I noticed that laws are always made for technocrats, for higher officials. Let us double, triple the number of high-ranking officials, and everything will go smoothly! The pension, finally, is but a pretext to fill offices with high-ranking officials.

It is about time, when we vote a credit, to think that it should go to the one who needs it and that we should not have to spend two thirds of the amount for inspections and regulations which often nullify the laws we vote here so as to give the least possible. This is how things are being done in this House, we vote, it looks good. Whenever a law is passed, people know about it and say: How marvelous. But in the end, there is nothing left. Why? Because we have a government of officials. It exists for officials and not for the needs of the Canadian people.

I congratulate the hon. member who proposed this motion. I should like it to be more universal and I hope with all my heart that this fall, at least, we do not fail. As to the wives younger than their husband, those from 60 to 65 years, all those who want it, and I am not referring here

to working wives, as the one I was speaking of a while ago, I can understand her point, I hope the government decides once and for all to give them what they need, what they are entitled to.

● (1740)

[*English*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the motion moved by the hon. member for Mackenzie (Mr. Korchinski) strikes me as being manifestly in contradiction to our whole policy as well as the principles of social justice. When governments develop social security policies, and this applies to this government, and are in the process of planning social security changes, the most important consideration they must bear in mind is the equity of the measures they propose to introduce. The hon. member alluded to this government's system of priorities. I think he said something about their being all mixed up. I shall return to that point.

As I said, governments must consider the equity of their measures. By that, I mean they must avoid discrimination in setting varying eligibility conditions and benefits based on artificial distinctions, such as sex, which may be unrelated, or occupation, which may be totally irrelevant. To my mind, the hon. member's proposal for lowering the general pensionable age to 60 is not serious. Personally, I think there is much to be said for lowering the pensionable age to 60; but the economics, the cost, as mentioned by the Minister of National Health and Welfare (Mr. Lalonde) last year, is astronomical. I think the minister said that this proposal would cost $1.2 billion per year.

Governments must strive to treat all people equally. Their attempt to do this was demonstrated by the recently entered into federal-provincial agreement for removing from the Canada Pension Plan differences in benefits based on sex. The hon. member for Winnipeg North Centre (Mr. Knowles) has spoken about differences in CPP benefits based on sex. As I say, these differences have now been eliminated. The position of the government of Canada is this: Different retirement ages for men and women would constitute discrimination. This discrimination has been eliminated.

If we agree that the principle of a good social security review is valid, we should be wrong in endorsing the sort of motion we are discussing today. The government is committed to removing discriminatory provisions from existing federal legislation and, to this end, has introduced the omnibus bill on the status of women as well as amendments to superannuation legislation and legislation affecting other federal pensions. No one denies the tenuous position of many housewives whom the hon. member for Saint-Michel (Miss Bégin) rightly defined as house mistresses. I truly believe that the problem such women face has moved out of the realm of pure biology and into the realm of economics. I wish to consider it from that angle.

Early retirement for women, as for men, may actually be discriminatory. But let us consider for a moment the implications of early retirement within our present inflationary context, a context in which nearly all feel compelled to re-assess lifestyles because of the rapidly deteriorating purchasing power of incomes. A *Financial Times* survey carried out not long ago, and based on a study by 28 leading Canadian and United States companies, indicated that the great North American dream of early retirement is in trouble, apparently because of inflation and poor planning. In brief, most of these consultants, according to the same study, seem to agree that the best advice to give these people at this time is to keep working.

● (1750)

There is yet another important factor which governments must not overlook, quite apart from the costs such a scheme would incur. I am referring to the question of priorities. There is no doubt, as the Minister of National Health and Welfare himself pointed out, if the state were a limitless reservoir of funds, it would certainly lower the eligibility age to 60. It so happens the government is not an inexhaustible source of funds. Hence, priorities must be established and respected. That in fact, is the responsibility, the burden of governments and indeed a responsibility which lies not only with the federal government but with the provincial governments as well.

Choices must be made and decisions must take into account the total existing requirements. True, our policies must meet the needs of our older citizens and even, if need be, before retirement. However, along with these, we must also cope with the problems facing the disabled and the handicapped. We must supplement the income of the working-poor. We must implement programs to encourage the low-wage earners to remain in the labour forces. For those who can work, but are without a job, we must find ways and means to allow them to do so. Moreover, there is the single mother whose income is either non-existent or unacceptably low. We must remember housing needs, social services, such as day-care centres, and so on. From these various needs a rational list of priorities must be drawn by order of importance.

The question of income naturally leads us to yet another facet of equity in a social security context, income distribution. In this respect, just how equitable would the adoption of a motion such as the one being discussed today be in terms of allowing all income groups in our society to recoup a fair share of the nation's revenue. I find it difficult to see the motion in this context.

Although one could hardly claim to have exhausted the many aspects of the problem, I trust hon. members of the House by now have dismissed the proposed motion as irrational and unwise. By adopting this measure, the government would only commit a recurring mistake, one for which several other governments could be reproached, that is the single-minded pursuit of one overriding policy objective at the expense of all others. That is completely unacceptable at this time. It is the government's duty to demonstrate wisdom in discerning between first and secondary priorities, and quite often the only choice open to us is to compromise between these priorities.

As a last thought, Mr. Speaker, I might add that my Liberal colleagues and I are far from being insensitive to the problems of the elderly. The record of the Liberal government attests to that. I strongly believe we have to weigh the problems pertaining to senior citizens in relation to all the other problems, and the ability of this country to pay for the solution of them.

The hon. member for Mackenzie (Mr. Korchinski) stated that he felt this proposal could justifiably be included in this $28 billion budget. I do not know what part of the budget he would eliminate in order to accommodate this proposal. I do not believe, in view of the sum total of the budget, this measure is justified, at this time, although in years to come possibly it could be if we reduced the pensionable age to 60. This or subsequent governments would not reduce the pensionable age to 60 on a voluntary basis without any compromises.

The Minister of National Health and Welfare stated in this House that the solution to our problems in social security lies, not through bringing about a broad expansion, or a general lowering of pension benefits to those who are 60 or 55, but rather through a system of guaranteed income or income supplementation, which would be available to all, regardless of age, former occupation, present condition, or sex. That is what the social security review is all about.

We recently received a rather extensive document regarding the whole problem of social security review. I know that hon. members are very interested in suggestions put forward by the federal government. I am told that the provinces in general are very co-operative. On the other hand, it is the ability to pay for, not the desire to offer this pension that is the biggest issue. If this government spends too much, the opposition criticizes us for over-spending. We are criticized for our priorities.

Here we are establishing a priority. We said the Canada Pension Plan will be enlarged to include the spouse. In spite of what the hon. member for Winnipeg North Centre said, I find this a very progressive move. It will possibly be studied in committee soon and, I hope, come into effect in October 1975.

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

LAW REFORM COMMISSION ACT

AMENDMENT TO INCREASE THE NUMBER OF FULL-TIME MEMBERS

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-43, to amend the Law Reform Commission Act, be read the third time and do pass.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I shall be very brief tonight. I should like to leave one thought with the House on third reading. At the outset, I

should like to say that every member of the House of Commons, every lawyer, anyhow, supports the idea of the Law Reform Commission and its work. To illustrate the difficulty of the field in which it is engaged, perhaps I might be allowed to quote from a Russian philosopher. Speaking about the problem of segregating the good from the bad, he had this to say:

> Let the reader who expects this book to be a political exposé slam its covers shut right now. If only it were so simple! If only there were people somewhere insidiously committing evil deeds and it were necessary only to separate them from the rest of us and destroy them. But the line dividing good and evil cuts through the heart of every human being. And who is willing to destroy a piece of his own heart?
>
> During the life of any heart this line keeps changing place. Sometimes it is squeezed one way by exuberant evil and sometimes it shifts to allow enough space for good to flourish. One and the same human being is, at various ages, under various circumstances, a totally different human being. At times he is close to being a devil, at times to sainthood. But his name doesn't change and to that name we ascribe the whole lot, good and evil.

I understand well the functions of the Law Reform Commission and I have just done some research on the various reports the Commission has brought out. Up to this point, the Commission has been engaged, it seems to me, in a philosophic approach. On the practical side it has been dealing with the reform of our correctional institutions, and so on. However, it is time, now, for the Law Reform Commission, this parliament and the Minister of Justice (Mr. Lang) in particular to examine the Criminal Code carefully with a view to making necessary changes. I am speaking from memory, but I believe it was Stevens of England who put the Code together in 1887 and except for a few changes it was adopted by Canada in the early 1900's—1906 to be exact. Since then, some changes have been made but there are still sections of it which provide, for example, for a person seven years and older being charged with a criminal offence in certain circumstances; there are still sections dealing with insanity which are more than 100 years old.

This is, of course, International Women's Year the theme of which is equality for the other sex, a concept I certainly endorse. There are certain sections dealing with certain offences; if a male is a certain age and the female is a certain age, the male is subject to a charge of statutory rape. I have brought these sections to the attention of the minister and of the Commission. Dozens of sections are archaic and outdated; it is high time they were changed, especially in the light of the fact that the government has been returned with a big majority and with the endorsation of the Canadian people. This is the time for us to get together and produce a Criminal Code adapted to the situation in 1975 rather than conditions in 1910, 1920, 1930 or even a decade ago. Let us get on with the job. Let us streamline and reform the Criminal Code to meet the changed social climate now.

It seems to me we have lost the track. All the efforts of the Law Reform Commission seem to be directed to the treatment of those who have committed violent crimes—I shall not get into that field now, because I have definite views on it. I have a great deal of respect for the Department of Justice. I think the department can be proud of its record over the years, especially when one compares it with what has been taking place in other countries, including the United States. One can be proud of the men

who work there and who have worked there over the years. The department has benefitted from the work of good scholars, many of them Rhodes scholars, conscientious workers and fine persons who really believe there should be a new national policy as far as the Criminal Code is concerned.

Having said that, and spoken for less than ten minutes, which is not long for the hon. member for Calgary North, I will simply conclude by asking the minister to get on with the job.

Motion agreed to, bill read the third time and passed.

* * *

● (2010)

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT TO INCREASE MAXIMUM AMOUNT OF ADVANCE PAYMENT

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-10, to amend the Prairie Grain Advance Payments Act, be read the third time and do pass.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I am utterly amazed that the hon. member for Winnipeg North Centre (Mr. Knowles) should quickly cry "carried" when you called this bill. The NDP have long professed to be the spokesmen for the wheat farmer of Saskatchewan. One can only assume that they sorely miss the old and tired member of the National Farmers Union who was a member of parliament for a short while; I seem to have forgotten his name but I think he was from Saskatoon-Biggar. He was old and tired, but he always tried to keep the NDP interested in the Saskatchewan farmer. If he were still here he would not have let the hon. member for Winnipeg North Centre shout "carried" to a grain marketing bill at a time when the grain marketing situation in Canada is in utter chaos. Any member of the House would be derelict in his duty if he allowed the bill to pass without referring to some of the errors the government has made recently and is making today in the area of grain marketing.

Many members may wonder what Bill C-10 is all about. It is a strange piece of legislation. I well remember around 1957, 1958 or 1959 the government of the day bringing in a bill on cash advances that would allow the farmer to receive money for grain he held in storage but was unable to deliver. The amount was increased from a maximum of $3,000 to $6,000. I know inflation has had a great effect on costs, but Bill C-10 jumps the maximum from $6,000 to $15,000; and if a farmer is operating a farm in partnership with a brother, his mother, sister, or cousin he can jump the maximum to $30,000.

It has commonly been said from time to time that the right hand of government hardly knows what the left hand is doing. That has commonly been said, I suppose, of governments of yesteryear and it probably will continue to be said of governments of the future. The strange thing we see this evening is that the right hand of the minister in charge of the Canadian Wheat Board evidently does not know what the minister's left hand is doing.

[Mr. Woolliams.]

The other day I read in the *Globe and Mail* an article which said the minister in charge of the Wheat Board was urging farmers to deliver their grain because he was concerned and worried that the Wheat Board's sales commitments would not be met. The farmers were somewhat reluctant to make deliveries of their grain, as payments had been made to them in January of 1975 on crops that were sold in the 1974 crop year. This bill, in effect, is telling the farmers: "Don't deliver your grain; take a cash advance on it up to $15,000". Did I correctly read the minister's remarks of two weeks ago when he urged farmers to make deliveries? As I say, the bill now before us does the very contrary.

The original purpose of the cash advance legislation was to give money to destitute farmers who were unable to deliver their grain. The government of the right hon. member for Prince Albert (Mr. Diefenbaker) introduced this legislation to help the farmers. The wheat farmers on the prairies today received millions of dollars in January of the current calendar year. They do not want to put themselves in a position where they pay too much income tax, so the tendency is not to deliver wheat. We are now being asked to pass a piece of legislation that will encourage them not to deliver their wheat.

According to the latest figures I have seen, there are 189 million bushels of grain and wheat in commercial storage, nearly an all-time low and the lowest amount in commercial storage in the past 20 years. It is low for two reasons. We had a poor crop last fall; the other reason is that farmers are in no rush to deliver because their cash flow position—a common expression today—is relatively good.

When this bill was considered in committee, the hon. member for Swift Current-Maple Creek (Mr. Hamilton) said, as reported at page 10 of the committee proceedings for Tuesday, February 4, 1975:

> I think the necessity for this bill—

He was merely fishing to find out just why the bill was coming forward at this time.

> —sort of points up some of the real problems in our grain industry; that if delivery opportunities were available and the grain was moving continually, there would really be no need for this type of legislation.

The hon. member is really saying that, if all things were what they appeared to be, there would be no need for this type of legislation. He then asked the minister whether he agreed, and the minister replied:

> No, I do not think we should ever try to build a commercial system—

The minister's motivation in this instance has to do with what is in store for the wheat farmer in the year 1975, since the railways want to abandon some 6,200 miles of track, and all the delivery points along the way. The minister's reply:

> No, I do not think we should ever try to build a commercial system that can hold every bushel of grain immediately and therefore allow for the purchase of it. The quota system allows for the phasing over a year of the Wheat Board delivery opportunity, and the bill itself was particularly designed to make it even easier for those farmers who have feed grain, and who want cash, to hold and deliver later to the Canadian Wheat Board rather than be under a cash pressure to deliver it to the open market.

There are two significant points in that paragraph. First of all, the minister readily admits that, so far as commercial grain storage is concerned, we are in for a shock in

1975. They are going to be arguing whether 6,200 miles of railway track should be done away with, and a great number of delivery points may well be considered for abandonment in 1975.

● (2020)

The other point which is apparent in that paragraph is found in the last sentence which reads:

—the Wheat Board delivery opportunity ... was particularly designed to make it even easier for those farmers who have feed grain, and who want cash, to hold and deliver later to the Canadian Wheat Board rather than be under a cash pressure to deliver it to the open market.

The minister is concerned, as are many farmers in Saskatchewan, Manitoba and some parts of Alberta, that too much grain is being delivered on the open market and not enough consigned to the Canadian Wheat Board. We all know that the Canadian Wheat Board has made sales commitments in respect of millions of bushels for delivery later on, so the minister wants to be sure that he will have enough delivered to the Wheat Board and not too much to the open market. Those are the two significant parts, the cash advances on the grain in storage on the prairies, and the recognition of the deficiency in the system in that farmers may well sell too much on the open market so that the Wheat Board may not be able to meet its commitments later on this year to deliver the grain already sold.

There are other problems in respect of the grain industry which I think I would be remiss if I did not mention. Before getting into those problems, it is of interest to note that at the recent Agricultural Outlook Conference there were many important statements in respect of farm costs. I would be remiss if I did not point out that it is a recognized fact in the agricultural industry that costs are rising to a much greater extent than prices at this particular time.

Bill C-10 makes no mention of the amount that will be advanced on each bushel the farmer holds in storage. This is a key question. How much is the government going to allow per bushel which will allow the farmer to take up to the maximum of $15,000? Will this put the farmer in an overdraft position before the end of the year if the allowance is too great? The minister got into this trouble in the past when he first tried to amend this bill some years ago.

Let me refer to a news release from the agriculture department following the 1975 Agricultural Outlook Conference on January 20 and 21. It reads in part:

Even though we can expect gross farm receipts to go up by four per cent in 1975, net farm income may nose dive by 12 per cent;

They are being optimistic, and they take a similar viewpoint with regard to gross farm receipts being up 4 per cent. They are certainly optimistic when they suggest that net farm income will only nosedive by 12 per cent. The minister knows this, and I want the members of this House also to know at this time that net farm income may nosedive more than 12 per cent in 1975. I suggest that if we are not very careful it will nosedive well below 12 per cent. This is obvious from a recent drop of over $1 in the international wheat price in the past three weeks.

This news release continues:

—the culprit will be input costs—

What is the minister doing about input costs? We have asked from time to time what the government is doing about inflation, and what its answer to inflation may be. What is the great Minister of Agriculture (Mr. Whelan), and I say that somewhat facetiously, doing about input costs to the agriculture industry today?

An hon. Member: Consulting Beryl.

Mr. Horner: He is consulting Beryl, and he is talking about turtles and cheese at the same time, not knowing that one carries disease and the other does not.

This same press release goes on to say:

Farmers can expect to pay more for nearly every major farm input,—

The minister noted that farm machinery may account for 21 per cent of total farm operating costs and that steel prices will be higher than ever in 1975. So much for farm costs and the projected farm net income. I suggest it is going to be lower in 1975.

Why did the minister not explain this bill in relation to cash income for farmers? What is he doing about marketing? We have this neat little booklet which was sent to every grain producer in western Canada, and it is interesting to note that this report got to the producers quicker than the annual report of the Canadian Wheat Board on the crop year 1973-74 got to members of parliament. It is lucky that I happen to be both. This little booklet does not have any page numbers so I cannot quote the exact page, but I guess it is two pages past the centre of the book to which I wish to refer. I do not know whether that is to the right or the left, but it spells out pretty clearly that demurrage charges for the crop year 1973-74 amounted to $13 million which comes out of the farmers' pockets.

I dealt at some length with the fact that input costs are supposed to be the culprit in relation to farm problems, but what does that charge of $13 million do to them? It comes out of their pockets, and I hope there is no member in this House who does not fully realize that demurrage charges paid on ships come out of the farmers' pockets. Is the minister and this government attempting to help the farmer when they allow strikes to go on and on and on, or when they deliberately interfere as they did in the grain handlers' strike on the west coast last May? This government told the grain handlers to cease all meaningful negotiations as it knew the grain companies were the culprits, and after the election it intended to make the grain companies pay. That is what the minister in charge of the Canadian Wheat Board said. I was not in any position to judge who the culprit was, but I fully believe that meaningful negotiations between management and labour should have been allowed to continue.

Everybody in western Canada today knows who the culprit was in those negotiations. They know it was the minister in charge of the Canadian Wheat Board, that itinerant lawyer. Let any neutral person who knows nothing about wheat travel anywhere on the prairies and ask the simple question; what was the problem, and how did the government handle labour negotiations last year with the grain handlers? I am sure he will find that every man, woman and child in western Canada knows now that the

problems resulted from the interference of the minister in charge of the Canadian Wheat Board.

I have the utmost respect for the Canadian Wheat Board. The men in charge are doing the very best they can, but they are continually being interfered with by this minister for political purposes. I will have more to say about that when Bill S-6 comes before the House, because that is an example of what I have just said, that the minister is continually interfering. The $13 million demurrage charges should have been picked up by this government because this government deliberately interfered in that labour negotiation. The government destroyed meaningful negotiations for two months, from May 8 to July 8. Then, two months were added just for good measure. The government waited until sometime in September and then called Parliament to introduce a bill to suggest that the workers and the grain companies should meet, negotiate and settle. Grain was tied up for four months. It is no wonder the demurrage charges amounted to $13 million in the crop year 1973-74. There are additional freight charges totalling $1.600 million. The divisional handling charges amounted to $1,200,000. This is related directly to the interference by this minister in the grain marketing system.

● (2030)

Now, let me move on and bring this situation up to today's conditions. What do we have now? We have the GLT workers of the Public Service on strike. They have been on strike for 16 days. What is the situation at Vancouver? Over 40 ships are tied up at that port. Nobody seems to worry about that. The government is not appointing a mediator to deal with that problem. From time to time in this House there is a good deal of discussion about the poor in the world who are crying out for food. We have the Minister of Agriculture who goes to a conference on world population and food problems and who offers 36 million bushels of wheat. This was a great gesture. Yet there is a ship waiting in Vancouver harbour which is supposed to take five million bushels of wheat to Bangladesh. I do not have to tell members of this House how badly protein is needed in that country. This ship can carry five million bushels of grain. This ship was scheduled to dock to be loaded. We will be lucky if it is loaded in 30 days. In fact the people of Bangladesh and the western farmers will be lucky if it is loaded before the grain inspectors are back to work.

This government has not seriously concerned itself with the farmers and the delivery of their products. We can imagine the amount of the demurrage charges on a ship which can carry five million bushels of grain. That ship has been there for more than nine days and was scheduled to be loaded in four days. Once a ship is at the dock, the demurrage charges are rated according to its capacity.

Mr. Baker (Grenville-Carleton): What about the capacity of the farmer?

Mr. Horner: My friend asks about the capacity of the farmer. I know that the capacity of the farmer to bear up under this minister is at a low ebb. If the election of July 8 had been held one or two months after July 8 in the Saskatoon-Humboldt area this minister would not be here.

Some hon. Members: Oh, oh!

Mr. Horner: Now, we have a reaction from members opposite.

Mr. Baker (Grenville-Carleton): They are wide awake.

Mr. Horner: I say to these learning backbenchers of the government that they should go to Saskatchewan and talk to the farmers. Let them go to the Humboldt area.

An hon. Member: And Gus MacFarlane.

Mr. Baker (Grenville-Carleton): The hon. mountain member for Hamilton Mountain.

Mr. Horner: The people know all about the direct interference of the minister in the grain marketing trade. He has not done them a service. In fact, he has done them a disservice. What has the minister done to correct this image he has created? He is playing a neat game of tricks. He is advertising widely throughout the Saskatchewan, Manitoba and Alberta area saying that he will have an election in respect of an advisory body to the Canadian Wheat Board. A month ago the farmers were asking what this was all about. It became obvious that it was not an election. It was a gimmick the minister was using in an attempt to pacify the angry people in Saskatchewan and on the prairies. It is a gimmick. The President of the Saskatchewan Wheat Pool, the President of the Manitoba Wheat Pool, the President of the National Farmers Union, the President of the Alberta Wheat Pool and the President of Uni-Farm of Alberta are running. They are all running for the positions to which they were appointed. They may or may not be elected. Mr. Runciman, a knowledgeable and respected man in the grain trade offered his name in respect of the advisory committee of the Canadian Wheat Board. Does anyone in this House seriously expect that he will not win that election? He was on the appointed advisory board prior to this great charade.

The minister is attempting to improve his political health on the prairies. This is merely a charade to improve the minister's political health on the prairies. The minister has some other fences to mend which stretch back as far as that great program called LIFT, which meant lower inventory for tomorrow while to most of the farmers it meant lower cash for tomorrow. We know what happened. That was in 1969 and 1970. Some farmers were overpaid. The farmers were notified they were overpaid but the matter was dropped. Now, after July 8, they are proceeding to collect the overpayments. All of a sudden some farmers have been hit with bills which now appear to them to be bills which are three or four years old. The farmers do not think this is very fair. They thought it was a forgotten issue. The minister now, realizing he has some fence-mending to do, is attempting to do this.

This cash advance legislation which is before the House of Commons will accomplish absolutely nothing. This is a perfect example—and I shall end on this note—of good legislation passed in 1978—I hear some remark by the former President of the Treasury Board.

Mr. Drury: Did you say 1978?

Mr. Horner: I said 1978 but I meant to say 1957. Thank you for correcting me. This legislation was passed in 1957 to solve a problem at that particular time. The problem of 1957 has long since disappeared. Farmers could not market their grain. Now, the minister is begging them to market their grain. What is the problem? In a speech I made before Christmas, sometime in the month of November, I showed the minister how he could encourage the farmers to market their grain. I told him that he would have difficulty in getting farmers to market their grain in the new calendar year. I advised him to bring forward a registered savings plan which would benefit the agricultural industry. The $4,000 allowed per person in any one year to go into a registered savings plan is of no benefit to farmers. It can be of tremendous benefit to the lunch pail workers, to people on salary, but it will not benefit the agricultural industry.

● (2040)

I advised the minister to allow the farmers of Saskatchewan to take the surplus money from their final payments on their grain and put it into a registered savings plan. I spoke of $50,000, but that may be too large an amount. Let them put more than $4,000 in a registered savings plan so that they can market their wheat without fear of paying an unduly large amount of income tax to the government in any one year. The government should allow farmers to spread their expenses over a more extended period of time. However, the minister did not pay particular attention to my advice. But the Minister of Finance (Mr. Turner) did. I spoke to him privately on the subject and I have learned some things about him. The Minister of Finance might have a bigger heart for the wheat farmers of Saskatchewan than the former dean of law of Saskatoon, the little boy who left the farmers of Saskatchewan because he hated agriculture. Now he has to administer a certain portion of the cash rewards for the agricultural industry. He is administering them in a picayune manner which is best described by the program LIFT, lower inventory for tomorrow. Otto needs a lift somewhere outside the House of Commons. There is no question about it.

The minister has failed to pay any attention to the demurrage charges that piled up last year and are continuing to pile up. He knows that the input costs in the agriculture industry are well over 12 per cent. In fact, in the past year they went up by nearly 14 per cent. That is the cost of goods that farmers have to buy in order to grow wheat. The minister is well aware of that, but he does not do a thing about it. He does not attempt to curb the demurrage charges. When he interferes directly in a labour strike, he should attempt to curb those costs with which the farmer will be faced in 1975.

The minister brought forward a piece of legislation which has long outlived its purpose. He said that it has two main purposes. I may be repeating myself but I want to make sure that members of the House know what the purpose of this legislation is. The minister says that about 6,000 miles of railway tracks in the prairies will be up for abandonment in 1975. There will be a great debate staged throughout the prairies regarding which sections of those railway tracks are to be abandoned. The minister knows that with the abandonment of that trackage, commercial storage will be reduced, but he says, "don't worry about it, we will give you cash advances. Save your wheat, keep it for the wheat board." He knows also that there is a tendency on the part of some farmers who have not been as fortunate as others to sell their grain for cash on the open market, which he permitted under the feed grains proposal, and he is saying to those farmers, "don't sell on the open market, take this cash advance and eventually we will take your wheat". That is the second purpose of this legislation.

This bill will not solve the problems facing the agriculture industry in 1975. I do not agree with the minister that 6,000 miles of tracks will be abandoned in 1975. I think only a small portion of those 6,000 miles will be abandoned, and therefore I question the real need for this legislation. However, perhaps the minister wishes to take up the time of this House so that he will be able to say that he piloted six pieces of farm legislation through the House in the early part of 1975. By the fall of 1975, farmers will be scratching their heads wondering what the legislation was because they will not have benefited from it.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to tell the hon. member for Crowfoot (Mr. Horner) that I and other members of this party are also interested in the problems of the wheat farmer in western Canada. I, for one, enjoyed hearing the remarks he made because I think he described fairly accurately the situation as it affects farmers. I am sure that there is no one who opposes the idea of increasing the cash advance to farmers from $6,000 to $12,000, but I think that the country should pay some attention to what is happening in the grain industry and to the fact that farmers producing wheat have had only one exceptionally good year in the last ten or twelve years. Since that time farmers' incomes have decreased sharply, as the hon. member for Crowfoot said, partly because of high inputs, partly because of the changes that are taking place in the handling of grain, and also partly because of the desire of Canadian producers in other fields to handle grain.

Previously, it has been easy for farmers to maintain at least an adequate supply of wheat. Normally, at least a one year's supply of wheat was held either in the elevator or on the farms in western Canada. This amount has been earmarked for our international grain trade and has provided Canada with a reputation across the world as a country which can be relied upon to meet its commitments and is able to make large sales of wheat.

I am really concerned if, in amending this act as proposed in the legislation before us, we should not be asking ourselves why Bill C-10 is in the form in which it has been put forward, while a bill closely related to it in the same field, Bill S-6, comes from the other place. Both these bills affect payments, one deals with advance cash payments and the other one with final payments. However, both of them are related to the amount of money the farmer will obtain which he can consider as his year's income.

I think the changes that are being made in both cases are worthwhile and are certainly supported by most of the farmers. However, it is a fact, as was pointed out by the hon. member for Crowfoot, that we in this parliament have done absolutely nothing, less than nothing, in fact have been detrimental in many ways, in reducing the cost of the farmers' input as against the price that he gets for

the goods that he sells. We have done nothing about the railway system, or about the distribution system. We have done nothing in conjunction with farm organizations to improve the structure on which the farmer depends to move his grain at the right time and when he wants to move it. The farmer will have no control over the wheat in inland terminals nor, in my opinion, will the Wheat Board.

● (2050)

The question of labour disputes comes into this, too. In the current one I expect the cabinet will have to hold a meeting and decide whether or not they are going to pay up. Obviously, if they do not, there will not be a settlement. Any settlement will only affect a small number of people in the grain trade, namely, the inspectors on the west coast, but it will have far reaching effects and may determine whether there will be a postal strike or some other major strikes in a few weeks time.

It seems to me, Mr. Speaker, that the farmer and the Wheat Board, as well as all those connected with the grain trade, have an interest in this matter but the government does not allow them any input, so they have no control over their own situation. I have seen the minister on television telling the farmer that he will sell all the grain he can produce this year but, Mr. Speaker, the farmer has always been hurt when he has followed the advice of the government about planting. The price of wheat dropped a dollar on the futures market in the last few weeks, so the farmer is going to be turning to the open market to sell wheat, oats, barley and feed in the hope of more stability. The farmers may not be willing, cash advance or not, to commit the same amount of wheat to the Wheat Board for sales abroad as they did previously. It depends too much on the pressures of the Chicago futures market and the ability of the purchasing countries to pay in a currency acceptable to Canada.

Mr. Speaker, this bill is one of two which affect payments to the farmer in western Canada. He must decide whether he can trust this government to provide a lucrative external grain market or whether he will depend on the market at home, which appears to be more stable and to which he may divert some of the feed grains. If that happens, then Canada will not be meeting the commitments we have made and this will have an effect on our export markets for many years.

There are some things this government could do. It could provide some impetus, through the CDC or by putting money into some of the small farm machinery companies, to help reduce input costs. Canada produces some of the basic ingredients for fertilizer, yet the price of fertilizer is considerably higher here than it is in the United States. A lot of fertilizer is exported to the United States when it would be to our advantage to provide a wider distribution in this country at reduced prices.

We have never had as small a holdover of wheat as we appear to have now, Mr. Speaker. It has always been my hope that one day we would provide the farmer with enough stability so that we could hold over one winter's supply of wheat in storage for external markets. Wheat is a commodity that can be stored for a considerable length of time. Indeed, we had some wheat stored in fields for years.

[Mr. Peters.]

Mr. MacFarlane: We might starve in the meantime.

Mr. Peters: That is the point. If we do not provide the farmer with the initiative to produce sufficient wheat to meet our commitments, somebody is going to starve—those who rely on the domestic market or the international market. We fought hard and spent a lot of money to win the markets we have. None have been acquired easily, except perhaps those in the last two or three years—they have been established by barter, by good faith and in countries to which we had to lend money. If we want the western farmer to stay in production we must provide him with the machinery that will allow him to produce for a fair and reasonable return.

Just the other day the minister suggested to farmers that instead of having the normal summer fallow they should put that land into wheat. That is a very curious thing for this minister to say. He is the one who engineered the LIFT program to take acreage out of production and put it into forage crops and summer fallow. Now, he is telling the farmers the reverse. The minister was dead wrong then, and he is probably dead wrong now. His track record has been dismal in this field as well as in other fields.

● (2100)

Canadians are vitally interested in seeing western grain producers lower their production costs and maintain viable operations. If prices drop, as seems very likely, and if input costs do not fall correspondingly, farmers will be in a difficult position. Farm production will not expand. It has often been said that this country can increase the production of almost any agricultural commodity, if the price is right. For the farmer the price has seldom been right; often it has been wrong.

I was surprised to hear the hon. member for Crowfoot suggest that the minister responsible for the Wheat Board had caused farmers to be overpaid during the election campaign and that he is trying to recover overpayments now, when farm input costs are rising and the price of produce dropping.

This bill will provide cash advances of $15,000 to the single farmer; of $30,000 to two partners who are over 18, and of $45,000 to more than two partners. But, Mr. Speaker, do not forget that money advanced must be repaid. The advance is an advance against the final amount received for production. The success of this legislation depends on the co-operation of the entire industry. It will only work if we can meet the commitments we have made, if the farmer decides not to sell on the open market and not to the feed grain industry which is offering alltime high prices for feed grains. If it does not work, the nation will suffer.

This bill will not provide the safeguards to the farmer which it should provide. It can only provide safeguards if we are willing to look at input costs of farm production and at such areas as fertilizer costs. As I said, farm production costs are rising. The farmer must worry about the weather, about grasshoppers—

Mr. Nystrom: And about the Liberals.

Mr. Peters: As the hon. member says, farmers must also worry about the domination of a Liberal cabinet minister.

Cash advances will bring advantage only if parliament stabilizes farmers' incomes. Farmers will produce more only if they can be sure of recovering at least their cost of production. They will heed government calls for increased production only if a little remains in their pockets after they have paid input costs and cash advances. The government might consider some form of indexing in connection with cash advances.

Very seldom in the last 30 years have western producers prospered. All too often farmers have carried on their own shoulders the burden of export markets. If we want farmers to make the commitment for which we are asking, we are obliged to help them keep input costs down so that they need not carry the burden of high input costs and low returns from markets.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to contribute very briefly to the debate before we pass Bill C-10 providing for an increase in the payments made to prairie grain producers.

In my opinion, the inflation period we are going through will not come to an end; at least I think it will never stop by itself unless Parliament really sets its mind to check it and avoid disaster.

When the law was passed 17 or 18 years ago of course the fixed rate was then consistent with the value of the Canadian dollar. But in 1975 at a time when it is worth 44 per cent less, I do not think that to raise the advance from $6,000 to $15,000 is exaggerated. Prairie grain producers have had to invest considerably to update their equipment to be able to do their tasks at the appropriate time because of a shortage of manpower. It is not that there are not enough workers in the country, but there are not enough people interested in agriculture. Farmers must take the necessary measures to produce. They make every effort to reach their aim.

● (2110)

Of course, they had to borrow additional capital to buy new machinery. It takes much more income to pay the interest on those loans; finally, they end up in a difficult situation.

Agriculture is an industry with many problems. One can never depend on the stability of the industry. One year the crops will be good, the next, bad. Many factors enter the picture. There is the weather, over which one has no control. There are the markets, supply and demand, domestic and foreign markets, as many questions marks, as many causes of uncertainty. This, Mr. Speaker, applies to both eastern and western producers. The farmers must always struggle along, day after day, and ask the governments to pass laws that will ensure a certain production, a certain income, that they might be able to meet their obligations.

But what surprises me in all this, Mr. Speaker, is that during the second half of the 20th century, our problem is not that of knowing how to produce. If we let the farmers, those who are interested in farm production, do as much as they can, farm production will progress enormously. This is so true that in many areas of agriculture in our country, there are measures aimed at slowing down production. In many areas of Canadian agriculture, there are quota systems. The bill aims at stopping production, not because too much is produced through out the world, since there obviously is not enough, but in the hope of ensuring to farm producers that their products will be sold at a price which will give them a certain income. But here again, we know that there is disorder. Some people like to play tricks and hide-and-seek. They like to misuse legislation and they do so to legislation that parliamentarians pass in good faith to protect this class of workers. We saw this again recently. I talked about it in the House today. Canada now imports poultry while it can produce sufficient quantities to meet the needs of all Canadians, and even more, since poultry producers follow a quota system. They recently had to reduce their quotas so as not to flood the market. At the same time, some people import poultry and this angers the producers. We read recently in the newspapers that poultry producers took over a truck which was bringing American chickens to a Quebec slaughterhouse. They had a barbecue in the streets while there are families in Canada, in Quebec, in every one of our cities, and even throughout the world, who could have used this food.

This is a waste. Something else could be done. We should act differently. Statistics were recently published which gave the names of those who are interested in sharing throughout the world, who know the developing countries, the under-developed countries where peoples are really in need, who do not have the food needed on a daily basis to satisfy their hunger.

It is forecasted that in 1975, 75 million people might lose their lives precisely because they will not have enough food on their table while at home we paralyze production because of domestic problems we try to solve. It is for that reason I think we should change somewhat our attitude, our approach.

The United Nations are an organization that was set up a number of years ago to promote peace in the world. It is all very fine, and I think the United Nations should continue to exist. But instead of talking only of nuclear arms, defence, wars left and right, I think the leaders could devote a little more time to examining the possibilities of different countries to bring help to underdeveloped countries, starving nations. A lot more money should be devoted to ensuring the survival of humanity instead of spending so many billions of dollars on new research, new arms in case of war. So if we want that to happen let Canada show leadership through its delegates when they meet at the United Nations. If the United States do the same we will certainly be able to find a way of having our grain distributed among the countries of the world at prices acceptable to producers. We will then stop always quarrelling on this same subject, and wondering what we are going to do with our grain, and what our producers can hope for the future.

Bill C-10 is a necessary measure because it meets a need. I urge farmers, prairie grain producers, where the land is suitable for that production, to continue to produce, do their best, do their work. For our part, this is why we are paid. We must draw up and pass the legislation to ensure the distribution of grain throughout the world. We will thus work constructively to promote peace which is

sought by everyone. Some talk about it, but not really sincerely.

Canada has a task to fulfil. Our country can do much to show that it believes in that formula of peace through the distribution of goods, of food in the world to prove its good faith to bitter countries that have always remained unsatisfied. They will understand that it is possible in the twentieth century to establish lasting peace conditioned by the free circulation of goods to meet the needs of each and everyone.

Therefore, on behalf of my party, I want to say that we support Bill C-10 and hope it will come into force as soon as possible, so as to reassure grain growers who are quite worried, considering that this bill was introduced last October. Here we are in March already and it has not been adopted yet.

Personally, far from delaying the adoption of this bill, I shall do the utmost to have it adopted as soon as possible.

[*English*]

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, it is obvious from the debate this evening that the subject of grain is almost irresistible. As the hon. member for Crowfoot (Mr. Horner) pointed out, this bill is a long way down the list of priorities when one considers what is wrong with our grain industry. When I think back to the fifties, no one worked harder and wanted cash advances more than my good Liberal farmer friends. However, the Liberal government of the day said it could not be done. They said if it were ever done, it would cost the grain companies huge sums of money, the farmers would not make their payments and so on. When this legislation was first introduced, they opposed it.

It was not until a young fellow called Alvin Hamilton came along during the Diefenbaker years that we got cash advances. It is also noteworthy that during the term of that government, a no strike deal was negotiated at the Pacific seaboard. That deal lasted for a good number of years. Compare that with the present situation with strikes from one end of the country to the other. We have already lost over 80 days at Pacific seaboard because of strikes and shutdowns. There have been four separate strikes. We have no international grain agreement. We are losing sales to the United States. Japan is tendering in the market, and there were six cargoes in the last week that we should have had. The minister in charge of the Canadian Wheat Board must be about ready to announce to the world that Canada is out of the market. At the same time he could well announce to our producers that their delivery opportunities are frozen.

The situation has changed greatly in western Canada since this legislation was first introduced 17 or 18 years ago. Many farmers have to take an advance now because the trains just do not run anymore on our branch lines. This legislation can be used, in the minds of many, to coerce farmers into hauling greater distances. It seems to many producers that this is just another part of an overall plan the minister has to make changes just for the sake of change.

I hope the minister will consider some measure of compensation for the country's grain buyers who are responsible for most of the cost of administering this program

[Mr. Lambert (Bellechasse).]

but receive nothing in return, while at the same time they are subject to some liability under it. It is not good enough for the minister to say that it is the responsibility of the companies to look after the grain buyers. The country elevator operator is the cash register of the western grain industry. It is the only business I know where one man's signature on a cheque can commit his company to hundreds of thousands of dollars a year. I really believe the country grain buyer deserves a better shake from the government.

● (2120)

The minister, in closing the debate on second reading, did his best to indicate the prosperity of western farmers, quoting figures to prove that the average net farm income for 1974 would be over $23,000 per farmer. I leave it to the farmers of western Canada to judge the accuracy of those figures.

Some hon. Members: Question!

Motion agreed to, bill read the third time and passed.

* * *

CANADIAN WHEAT BOARD ACT

AMENDMENT TO INCREASE MAXIMUM AMOUNT OF ADVANCE PAYMENT

Mr. Deputy Speaker: Order. Further to the report stage of Bill S-6 this afternoon, by agreement, the question is that Bill S-6 be now read the third time and do pass.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker; should the motion not be made by someone who is here?

An hon. Member: The minister is not here.

Hon. Jean-Pierre Goyer (for Mr. Lang) moved that Bill S-6, to amend the Canadian Wheat Board Act, be read the third time and do pass.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, Bill S-6 is an interesting bill. I think it is only fair the country should know that it originated in the Senate. While it was before the Committee on Agriculture, the minister in charge of the Wheat Board, who was not here to move the third reading of the bill, had this to say with regard to the legislation as reported at page six of the committee proceedings No. 18:

> I would simply say that Bill S-6 renders a little more certain the year in which the final payment will be received.

This is an important piece of legislation. The country is crying for action on inflation. The farmers are worrying about the inflated costs they will have to meet in 1975. From time to time supporters of the government suggest that the Opposition is holding up legislation—

Some hon. Members: Shame!

Mr. Horner: —and that the ability of those on the treasury benches to govern is being interfered with. Mr. Speaker, this bill is, really, of no significance whatsoever.

Mr. Peters: It is to keep them honest.

Mr. Horner: The hon. member for Timiskaming (Mr. Peters) said it is to keep them honest. I am glad he made that observation because I shall be dealing with it in a minute or two. Let me repeat what the minister said before the committee:

I would simply say that Bill S-6 renders a little more certain the year in which a final payment will be received.

Now, I want to read another significant statement which appears in the same paragraph. The minister added:

It is almost impossible for the Canadian Wheat Board to make a payment before January 1.

Let us analyze those words. Let us cast our minds back. In what year in the recent past, was there a payment made before January 1? Scratch our heads. Everybody thinks: My, it was the year 1972 when there was an election on October 30. That was the year in which the minister did the impossible.

Some hon. Members: Oh, oh!

Mr. Horner: He rose amid a cloud of dust on the prairies and said: I have done the impossible; farmers, vote for me and I will give you another 15 cents a bushel—he was in a little trouble on the prairies and he thought the farmers could be conned into voting Liberal.

Mr. Jamieson: And was he re-elected?

Mr. Horner: An hon. member asks whether he was re-elected. How many were re-elected with him? He would not have been re-elected if it had not been for the city voters in Saskatoon.

Mr. Lang: That is not true.

Mr. Horner: Let the hon. gentleman check the facts. Everyone else in Saskatchewan knows. They will remember the great con artist of the Liberal party who would speak one way in Saskatchewan and another way in eastern Canada. I am referring to the former Minister of Agriculture.

An hon. Member: Forked tongue.

Mr. Horner: Someone said "forked tongue". He had a tongue that spoke one way in one part of Canada and another way in another part of the country.

As I say, this is an interesting paragraph. I have not got to the end of it yet. The minister in charge of the Wheat Board went on to say this:

As the present law stands, if the board can close its pool and therefore be ready to make a payment, it has to make the payment. In at least one recent year, this meant that the payment came rather unexpectedly to tax planning farmers in December.

He admits it was one recent year. The tax planning farmers had nothing to do with it. Vote-gathering Liberals offered the payment to the farmers on October 15, 1972 and the Wheat Board was then obliged to go ahead and make payment. The payment arrived in the hands of the tax planning farmers in December. Talk about a con game!

This is the Senate taking a hand in the operations of government. This is one of the most commendable pieces of legislation the Senate has sent to us in years. If we go back to 1867, we find the Senate is supposed—it does not, but it is supposed—to act in a non-partisan manner, for the good of the country and not for the good of a political party. The Senate is slapping the wrist of the minister in charge of the Wheat Board and is saying: "No more abuses; no more direct interference with the operations of the Canadian Wheat Board." The Canadian Wheat Board operates for the good of the Canadian wheat farmer, not for the good of the political party which happens to be in power at any given time.

● (2130)

An hon. Member: Or for the good of the opposition.

Mr. Horner: I hear an hon. member standing behind the curtain making a comment. If he wants to make a speech on this bill, I will spare him some time before ten o'clock if he comes forward. In any event, the significant thing that we are witnessing here tonight is that the Senate is slapping the wrist of the minister in charge of the Wheat Board and saying there will be no more interference with the Canadian Wheat Board, no more of this trick of using the farmers' own money to buy votes.

Most members of the House of Commons think that final payments on wheat come from the general treasury. We are not dealing here with some kind of subsidy out of general revenue; we are dealing with the farmers' own money which accumulates in the pool accounts of the Canadian Wheat Board and is paid to the farmers when the Wheat Board settles those accounts. The minister's own admission on page 6 of the committee report is that this payment was made unexpectedly in only one year, and that it is almost impossible for the Canadian Wheat Board to settle accounts before January 1.

All hon. members know the job of the Canadian Wheat Board is to sell wheat for the Canadian farmer. It does the Canadian farmer a disservice if some elected official superimposes his wish upon the board's and tells them to stop selling wheat and to total up their accounts, because he is in political trouble and wants to offer the farmer some money. On that particular occasion the Conservative party, which happened to be the official opposition, had some very knowledgeable members in the wheat trade. They did the best calculations they could and decided that the pool accounts could safely be offered an additional 25 cents, and as an official policy they proposed a 25 cent boost in the initial price of wheat. This offer came out some time in September. I am pointing this out so the House can fully realize that the minister knew exactly what he was doing when he did the impossible in 1972. The official opposition said that the initial price was too low, that if they had been the government they would have increased the initial price by 25 cents a bushel at the beginning of the crop year on August 1.

I well remember the minister's initial reaction. He scoffed at that offer in his arrogant way and said we were insulting the knowledge of the farmers. Then, as the campaign wore on, he realized that the farmers had accepted the proposition that the initial price should be 25 cents a bushel higher than it was, so he directly interfered with the Canadian Wheat Board and told them he was going to make another offer. He said: "We have an election; we have to buy votes with the farmers' own money", and so he made an offer of 30 cents.

I have often wondered, if the official opposition at that time, figuring things out to the best of their ability, had decided that the farmers should be paid another 35 cents a bushel, whether the minister would have offered 40 cents. I have come to the conclusion that that is the way the minister reached his 30 cents. If we had offered 35 cents, he would have offered 40 cents. It was an option with the farmers' own money.

In the fall of 1972 the price of grain was not as high as it has been in the last couple of years. This was a year or two following the implementation of the LIFT program which penalized the farmers if they grew wheat. That was a time when the farmers were in need of cash. We in the opposition recognized the fact that international grain prices were going to go up. They started to go up in May 1972, and the minister made his last big sale to China in April at a very low price compared with the prices that followed. That is when he offered the farmers 30 cents, as he admitted in the committee proceedings.

Further on in the committee proceedings the minister admitted that the Wheat Board really preferred this bill. It is not a question of the minister preferring the bill but of the Wheat Board preferring the bill. I ask, why did the Wheat Board prefer this bill? Why did the bill originate in the Senate? Who in the Senate had some knowledge of the Wheat Board? The former chief commissioner who operated and managed the Wheat Board for the farmers was a member of the Senate. The minister admitted in the committee that the Wheat Board preferred this bill because then no future minister could deliberately interfere with the Wheat Board's operations for political reasons, as this minister did in 1972.

Obviously, the bill originated in the Senate because the former chief commissioner of the Canadian Wheat Board desired something like this to protect the Wheat Board and its pool accounting system. Senator McDonald of southern Saskatchewan was a wheat farmer fully knowledgeable of the political abuses that can be perpetrated upon the wheat farmer by a Liberal government, particularly the one of Jimmy Gardiner. I would also be remiss if I did not mention the Hon. Senator Argue, a knowledgeable critic—that is the best compliment I can pay him—who is fully aware of what political implications can spell for Saskatchewan farmers from time to time.

I have no doubt that when the Wheat Board requested this bill they did not get a favourable response from the minister in charge of the Wheat Board. The minister knew he was the culprit who had interfered with the Wheat Board previously. I can quite imagine that he said: "This is a minor bill; don't trouble me with it". They went to the Senate and found there a ready ally in the former chief commissioner of the Canadian Wheat Board, as well as ready support from the former member for Assiniboia, Senator Argue.

As I have said, the Canadian Wheat Board works for the wheat farmer, not for the political party in power. While the Wheat Board commissioners may be appointed by the government in power, they are to act in a non-partisan manner. Supposedly we are to gain something from this election charade the minister is carrying out in respect of advisers to the Canadian Wheat Board. One can only gather that the one little benefit to come from that is that, over the years, it may tend to make the Wheat Board more independent of the government and more answerable to the farmers, particularly if the farmers elect the advisory committee to the Wheat Board rather than the members being appointed by the government. That is the one benefit that will come from this election charade the minister is perpetrating upon the wheat farmer. In years to come this may be a beneficial thing. The one thing which may be of benefit to the farmer is that this bill will make the Wheat Board one teeny-weeny bit more independent and protected from government interference.

● (2140)

If I have left no other message with members of this House tonight regarding this small, teeny-weeny bill, S-6, let me point out that the purpose is to slap the hands or the wrists of the minister in charge of the Canadian Wheat Board. The reason this bill comes from the Senate is that those gentlemen there who have some knowledge about the grain trade realize the importance of the independence of the Wheat Board and that it must be maintained free of political interference. This minister has interfered with the Wheat Board for political reasons, and let there be no doubt about that. Let it long be remembered as a lesson to future ministers.

It is fine to interfere with the operations of the Canadian Wheat Board if you are pushing and promoting sales, or guaranteeing credit, as did a former minister, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), when wheat was hard to move. That is the kind of assistance the government can give. It should assist in making sales, but it should not deliberately interfere for political gain with this independent body set up to serve the farmers of western Canada. That should be a no, no, and Bill S-6 should make that abundantly clear to every member of this House of Commons.

Let me end on this note. At page 6 of the Committee's proceedings No. 18 the minister admits that the one purpose of this bill is to make certain of the year in which the final payment will be made. The minister admits, as do members of the Wheat Board, that it is almost impossible to make the final payment at any time before January 1. If this bill passes it will make it impossible, although I would not trust this minister even though he is the Minister of Justice (Mr. Lang). I would not suggest that he would break the law, but he may well go around it as he has tried to do in the last couple of years, and as he tried to do in respect of that famous stabilization bill. I am going back to 1971, November of that year, when the minister was called before the courts just before a by-election took place in southern Saskatchewan, and he had to drop his stabilization bill. The Prime Minister (Mr. Trudeau) admitted that they were trying to go around the law, but the government hoped to change the law after it had gone around it. That is really what he said.

If this bill passes it will be impossible for any responsible minister in charge of the Canadian Wheat Board to make the final payment before January 1. I would not say that about the present government and this minister, because this minister has accomplished the impossible in the past and he may attempt to do so in the future, but we will be on guard.

Mr. Lorne Nystrom (Yorkton-Melville): As the hon. member for Crowfoot (Mr. Horner) has said, this bill is really not that big in terms of its content. It only deals with the deferral of the final payment from a pool until after January 1 in each calendar year.

Let me strongly support the suggestion by the hon. member for Crowfoot that all too often in the past we have seen final payments from the pool being used for political purposes. I well remember the 1972 election campaign when, on or about October 15, all of a sudden, two weeks before the election, the farmers received a final payment. That was the final plank in the Liberal party's election platform on the prairies. It seems to me that in the interest of openness in politics—

Mr. Lang: I wonder if the hon. member would permit a question?

Mr. Deputy Speaker: The hon. member is seeking the floor for the purpose of asking a question which can only be done with the consent of the hon. member. Does the hon. member accept a question from the Minister of Justice (Mr. Lang)?

Mr. Lang: Mr. Speaker, I just wonder if it would surprise the hon. member at all if I refreshed his memory by pointing out that the final payment which came in the same year as the crop ended, came actually after the 1972 election and was an adjustment in the initial price for 1972? I really want to ask the hon. member if it surprises him to learn that when he relies upon the hon. member for Crowfoot (Mr. Horner) as his authority he is completely wrong?

Mr. Nystrom: I might say, Mr. Speaker, that the promise was made two weeks before the election, if I recall correctly, and the payment was actually made in the month of December.

Mr. Horner: Yes, it was.

Mr. Lang: You have the wrong year.

Mr. Horner: It was 1972.

Mr. Lang: No, 1973. You have the wrong year.

Mr. Nystrom: That is the recollection I have, but I am willing to correct the record if that is not the case. I will look it up tomorrow. I can recall very well the minister making an announcement during that campaign, about two weeks before the election, that the final payment would be made in that year.

This has very often been used as an election promise. That has often been done by the Liberal party in the past. I remember one member of my own constituency, the hon. Jimmy Gardiner, who used to do things like this during an election year. He used to do it very often. This was part of a great election campaign type of patronage program the Liberal party used all the time. I hope that tactics like timing the final payment on grain according to the political whims of political parties is a thing of the past. I think things of this sort explain why the Liberal party is almost irrelevant right across western Canada today, keeping in mind the four provincial governments we have in the west.

All this bill will do is determine that the final payment will be made not sooner than January 1 of each calendar year. This will give farmers more economic stability. They will know when to expect the final payment, and will know what earnings to base their income tax on for one particular year.

As we all know, the farmer is up against all kinds of uncertainties. As suggested earlier by some hon. members, the farmer is up against uncertainties as to weather, international sales, grasshoppers and other kinds of insects, and the government in terms of its policy. This bill is one small step toward providing the farmer with some rationale on which to plan. This will give him some kind of consistency in respect of the income he is to derive.

It is very interesting to note that this bill originated in the Senate. I do not think that is a good precedent. I do not like to see bills originate in a Chamber which does not have democratically elected members. In any event, this bill did originate in the Senate and I wonder whether some of the senators really felt they could not trust the Minister of Justice (Mr. Lang) and wanted to make sure that he was not able to play politics with the farmers' money.

It was very difficult for the farmers under the old system to know just where they were economically, because in that situation they could receive two final payments in one year. They could receive a final payment for the year just before the turn of the year, and another final payment for the previous year just after January 1. This kind of political game and this kind of inconsistency will be eliminated by Bill S-6. Mind you, Mr. Speaker, you could still have a lot of inconsistencies with the bill now before us. It does not say the money has to be paid before a certain time. It just says the final payment must be made after January 1 in each calendar year. I suppose if it were politically expedient to withhold the final payment until May or June the minister could still do that. I think this feature of the bill could be tightened up.

In any event, I think this bill is a step in the right direction. It is one very small bill which all of us in this House can support as something that should have been in force years ago. As I said, the bill originated in the Senate. I think one of the senators over there who has a bit of life and spunk decided he did not trust the Minister of Justice. Perhaps this is why the minister treats the bill so lightly. The senator introduced the legislation so the minister could not play politics with the farmers' money as he has done in the past. This is money that comes out of the final payment, as the Minister of Agriculture (Mr. Whelan) knows. I am sure he would not play games of this sort with the farmers' money. It is the farmers' money and the farmers should not have to see that fund being used as part of a political poker game. I know the Minister of Agriculture would not do that, but the minister in charge of the Wheat Board is a different sort of politician from the congenial Minister of Agriculture. I see the Minister of Agriculture nodding his head indicating that he is in accord with me. I know he is very happy to see this bill before the House. I know that deep down in his heart he knows that this bill is a little bit of a rap on the knuckles

of the Minister of Justice who is in charge of the Wheat Board.

● (2150)

I agree with the representation made in committee last year by the Minister of Agriculture to the effect that the time had come in this country when all matters pertaining to agriculture should be under the purview of the Minister of Agriculture. The Minister of Agriculture made that representation and I agree with him. I also agree with him that we cannot really trust the Minister of Justice to administer the Wheat Board in a proper and efficient manner, so it should be under the umbrella of one minister, the Minister of Agriculture. I am pleased, therefore to see the Minister of Agriculture here today smiling and nodding his head in the affirmative. I am sure he is very glad to see this very small bill before us, and I am sure he will wholeheartedly support it.

Mr. Gordon Towers (Red Deer): Mr. Speaker, in rising to speak to this bill I must say that if there is one thing this bill does it is that it shows the lack of imagination of the government, since it must rely on the Senate to bring in the rules of application which this minister and the department he represents do not seem able to draft. One very important point should be brought to the attention of the minister. A great many farmers received two payments in one year and therefore have suffered a hardship in respect of income tax. Producers have come to me and have asked if there was something I could do for them in respect of this payment because they had actually planned their income so that they would receive that payment the following January. It had been done that way for years, but all of a sudden because there was an election there had to be a promise of a payment.

One thing the minister does not understand is the fact that one cannot buy the respect of the prairie grain producer. That election proved that. Fewer Liberals came from western Canada after the election in 1972 than before, primarily because of the fact that the western grain producer will not be bought. I presume this has been a lesson to the minister. No doubt whenever members of the Senate go to the areas they represent they find this to be a fact and, while the Senate has a vast majority of Liberal supporters and past Liberal members of parliament, I presume the Senators are trying to protect the Liberal image by not allowing the minister to do this in future.

This is what this bill is all about. It limits the period in which the minister can do this type of thing. There are many occasions when, if the minister did not interfere with the Canadian Wheat Board, the initial payments could be much higher and much closer to the final payment. It is absolutely unnecessary for an amount of 30 cents, 40 cents, 50 cents or $1 a bushel to be retained in any fund as has been the situation in some cases. When the minister interferes to keep the initial payment down and there comes a point in time when he feels he must buy the affection of the producer, he will announce an interim payment if he is permitted to do so. This is a very despicable practice in the minds of the prairie grain producers. They do not like this and, as I pointed out earlier, they will not be bought. The minister must recognize this. We all should realize that no one is able to buy the allegiance or support of these people. While the Senate apparently sees this and tries to protect the government, we are not really sure that the minister recognizes this as a fact.

[Mr. Nystrom.]

We on this side of the House have at times thought the minister had learned a lesson in certain cases but we are never actually sure that we can trust him. Regardless of how we may feel about the Senate, I suppose we must accept the fact that there comes a point in time when something good comes out of it, even though it may be a bill of little significance. Mr. Speaker, I see it is now almost ten o'clock. It is our intention to allow this bill to pass tonight. With those few remarks I am prepared to end this debate.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have been intrigued by the fact that it appears that not only members of this House but of the other place are not too sure whether or not this bill has been introduced as an affront to the minister responsible for the Canadian Wheat Board. The members of the other place must have been well aware of the fact that one can use the averaging provision in order to average one's income over a five-year period and that, therefore, if one had a good bookkeeping set-up and a good accountant he could probably reach the same result in the end. This piece of legislation has been used to provide that the payment normally would come in the new year. It is to be attached to the former year's income and, therefore, an excess of income would occur in that year. Obviously, this would mean increased taxation. May I call it ten o'clock, Mr. Speaker.

Some hon. Members: Ten o'clock.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I realize that my colleague called it ten o'clock, but I think there was some indication that we could pass this bill.

Mr. Lang: Mr. Speaker—

Mr. Peters: Mr. Speaker, I have no objection to taking a vote, but if the debate is to go on I would be prepared to continue.

Mr. Lang: Mr. Speaker, it would take me about two minutes at this point to finish the debate.

Some hon. Members: No.

Mr. Deputy Speaker: Order, please. There would be a difficulty involved in hearing the minister. Since this is third reading there is no right of the minister to reply. Since he moved the motion, he is considered as having already spoken.

Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the third time and passed.

● (2200)

BUSINESS OF THE HOUSE

Mr. Sharp: Mr. Speaker, I rise on a point of order. I would like to say what the order of business will be for tomorrow. First, we will call Bill C-5. If we make sufficient progress and conclude second reading of that bill, we will move on to Bill C-50, the Agricultural Stabilization Act.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[*Translation*]

INDUSTRY—LAYOFFS IN SAINT-HYACINTHE DUE TO IMPORTATIONS

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, in these days of stagflation where social chaos is at our doors, how can we decently, as a Parliament, allow an industry deeply rooted for decades in an area and elsewhere in the country to close down, out of a sudden, three of its divisions, and thereby deprive of their livelihood some 200 workers, men and women, without stepping in or at least raise pertinent questions?

This is the basic question facing us tonight and that I put to everyone here.

On February 14, Penman's Limited of Saint-Hyacinthe informed me, through their president Mr. A. P. Earle, that following the strike extant since June 10, 1974, and the subsequent losses in markets, it had regretfully decided it was not possible to reopen if and when the labor strife was settled, its spinning, felting and dyeing shops.

This would mean, Mr. Speaker, a reduction in labour force from 369 to 150, with a resulting loss of some 200 jobs.

On Friday February 28, I gladly met in Saint-Hyacinthe representatives of the workers involved, at their request. I saw there justified amazement, and even exasperation at that decision by the employer.

Most important, I felt that this new situation, arising in the middle of a conflict already nine months old, will preclude negotiations of a return-to-work agreement, since the National Knitting Union still insists on negotiating for the total number of employees, while the employer only wants to negotiate for the 150 employees present market conditions would allow him to reenlist. It can already be seen that the situation is explosive at Penman's Limited in Saint-Hyacinthe.

Are we going to go through a new Lapalme affair, *mutatis mutandis*? I hope not, I hope all parties concerned will think only in terms of job security for all workers involved.

Let us be fair: the company says it deplores the effects of its decision. In addition, it is seeking the co-operation of the union, federal and provincial government agencies to appoint, jointly, a committee whose task would be to reintegrate into the labour force the largest possible number of those who have been laid off, while promising to give priority to older employees who might otherwise find it difficult if not impossible to find jobs elsewhere.

Mr. Speaker, that initiative is sincere, provided of course the company, Penman's Limited at Saint-Hyacinthe as well as its parent company Dominion Textiles Limited are really wallfighting with its back to the wall, that it has not operated profitably in the last few years, nor invested abroad, either in Japan or elsewhere, amounts of money amassed here, or finally that it has not benefited from exports. Those are as many questions to which I should doubtless get replies from the company concerned any day now.

For the time being, however, I refuse to resign myself to the decision of the company, Penman's Limited. With several persons concerned, I fail to understand how the present strike at Saint-Hyacinthe could have harmed Penman's situation in the marketplace to the extent where it cannot even consider a gradual return to a normal situation, both in the market and consequently with gradual reemployment of its labour force. I request that the political authorities, federal as well as Quebec, authorities in the field of industry, trade and commerce or possibly manpower, should discuss the company's attitude before doing anything about it.

As people in my constituency said, when shall we have governments bold enough to talk to multinational or other companies? When shall we have governments which are shocked by the employment insecurity of our poor taxpayers?

It remains nevertheless—and Penman's rightly say so—that the sharp increase in imports on the main markets served by the company had a decisive influence on the announcement mode by Penman's that some 200 employees would be laid off in Saint-Hyacinthe.

Because of their lack of initiative, their lack of concern, and the excessive delay in dealing with this matter, the present government, and most of all the Minister of Industry, Trade and Commerce (Mr. Gillespie), are responsible for the present textile situation in Canada and to a great extent for the layoffs in that area, and will bear the responsibility of the social chaos which might unfortunately ensue.

The minister should make a statement without delay committing the government to further restrict textile imports. The employment security of tens of thousands Canadian workers, and more particularly, on a very short-term basis, the linelihood of some 200 Saint-Hyacinthe workers and the social order in Saint-Hyacinthe and the surrounding area are at stake.

Any ambiguous attitude on the part of the government in this matter will only make corporations like Penman's Ltd. more reluctant to carry on their operations with their full present staff.

In another respect, Mr. Speaker, the Minister of Industry, Trade and Commerce (Mr. Gillespie) together with

his colleague, the Minister of Regional Economic Expansion (Mr. Jamieson), and their provincial counterparts, will have to consider the opportunity of capital investments to help those industries in their updating process to keep abreast of new market needs.

Let me warn them though: such subsidies, whether under the form of loans or something else, should only be granted to factories provided it has been ascertained that they will generate more employment security and possibly more employment opportunities.

On the whole, Mr. Speaker, the Government should assure that people of Saint-Hyacinthe and especially the workers of Penman's Ltd., that every attempt possible will be made on a short term as well as on a long term basis in order to help Penman's Ltd. regain its share of the market and to help workers get back to work on a gradual basis.

In conclusion, Mr. Speaker, I appeal to the clearsightedness and solidarity of the workers involved as well as to the social conscience of the employer who has always had the benefit of a stable, competent and reasonable manpower in Saint-Hyacinthe, to settle this matter to the advantage of all parties involved, all workers involved and their families, and to the advantage of the whole community of Saint-Hyacinthe which is plagued with the repercussions of that serious problem.

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the recommendations of the Textile and Clothing Board being examined by the government do not include the items mentioned by the hon. member for Saint-Hyacinthe, which were sweaters, T-shirts and underwear.

When representatives of the workers and the textile industry met the Minister of Industry, Trade and Commerce (Mr. Gillespie) last November, they did not identify the items mentioned as being priority problems and did not ask that the Textile and Clothing Board undertake the study of these products on an urgent basis.

Moreover, we understand that the layoffs in the Penman's Ltd. plant in Saint-Hyacinthe are the result of a decision made by this company to stop manufacturing products other than sweaters, T-shirts and underwear. Therefore, we can conclude that the importation of these products is not directly responsible for the layoffs.

According to our textile policy, when a Canadian textile manufacturer believes that his business is being caused a prejudice because of importation, this manufacturer can go to the Textile and Clothing Board or the Minister of Industry, Trade and Commerce (Mr. Gillespie) and ask for an investigation to determine if there is in fact a prejudice. Penman's did not approach the Minister of Industry, Trade and Commerce or the Textile and Clothing Board.

The government cannot be expected to act in the case of a specific company when this company sees no need to use the measures at its disposal.

However, if Penman's decides to resume manufacturing the discontinued items, I can assure the House that all appropriate programs under the jurisdiction of the Department of Industry, Trade and Commerce will be placed at its disposal.

I am certain that the Minister of Regional Economic Expansion (Mr. Jamieson) and the Minister of Manpower and Immigration (Mr. Andras) would say the same thing about their department.

[Mr. Wagner.]

● (2210)

[*English*]

PUBLIC SERVICE—STOPPAGE OF GRAIN SHIPMENTS BY STRIKE OF GENERAL LABOUR AND TRADES GROUP

Mr. John A. Fraser (Vancouver South): Mr. Speaker, this evening I want to speak about the complete stoppage of shipments of all commodities from the west coast of British Columbia. I mention all commodities because on Saturday the longshoremen and warehousemen's union began a legal strike. Some time before then, the grain weighmen, public servants of Canada, went on strike legally, affecting grain shipments from the ports of Vancouver and Prince Rupert. It might interest the House to know that between October 1, 1974 and the end of February it was impossible, for about 70 days, to ship grain from Vancouver or from the west coast generally.

These difficulties arose as a direct result of labour disputes. First, we had the grain handlers legal strike which, after stopping the flow of grain to customers abroad for many weeks, was settled by parliament with the introduction of compulsory return to work legislation on October 11, 1974. Subsequently, we had grain inspectors, who are employees of the government, booking off sick and then beginning an official strike on November 23. It lasted several weeks. Then, beginning on February 17, grain weighmen, who are public servants of Canada, went on strike with fellow workmen operating in other trades. That strike is still continuing. As I said, on Saturday, as a consequence of the legal strike of the longshoremen, the whole of the west coast is tied up and shipments are neither coming in nor going out.

The question we must consider is twofold. First, are these work stoppages affecting the national interest; second, what is the government going to do about them? This government is on record as stating its concern for the public interest when labour-management disputes arise. On February 10 the Parliamentary Secretary to the Minister of Labour (Mr. MacGuigan) said, as recorded on page 3098 of *Hansard*:

> . . . this government has always asserted the rule of the public interest in labour disputes and has never pretended that labour disputes are matters which affect exclusively the parties.

This view was put even more forcefully on August 31, 1972, by the then minister of labour. Speaking about the longshoremen's strike then in process on the west coast, he said, as recorded on page 3901 of *Hansard:*

> . . . there are occasions when parliament must deal with situations, when the full resort to economic warfare by strike or lockout so impairs the ability of others to carry on their activities that it can be said to be against the national interest for the work stoppage to continue. Parliament in this case was recalled as a last resort when it was evident that the ports on the west coast would not resume operations for some weeks if normal collective bargaining procedures were allowed to take their course.

He went on to say, as recorded on page 3902:

> By far and away the hardest hit at this time is the grain economy on its external markets. This important sector of the economy is presently in the greatest jeopardy should the ports remain closed. British Columbia, too, has an export-oriented economy, and it is of the utmost importance that there be no prolonged closure of its ports.

Further, at the time of the legislation, which was introduced to end the grain handlers' strike in October 1974, the Minister of Labour (Mr. Munro) said, and I quote from page 165 of *Hansard* for October 7, 1974:

The only responsible view for the government to take was that a work stoppage was not only unnecessary, in view of the existence of a reasonable and viable alternative in the form of Dr. Perry's report, but would certainly adversely affect the national interest.

He stated that in May the government had invoked Section 181 of the Canada Labour Code because any work stoppage would affect the national interest. He went on to say, and I quote:

—I think, a sufficient chronological backdrop to a situation that can no longer be allowed to run its harmful and protracted course unchecked.

On Wednesday last, the hon. member for Marquette (Mr. Stewart) asked the Minister of Justice what was going to be done about the situation on the west coast. The minister's reply, which is recorded at page 3600 of *Hansard* for February 26, is as follows:

Mr. Speaker, a number of plans are being looked at, both in connection with the immediate period and also in connection with an attempt to catch up as quickly as possible when conditions return to normal.

The situation is certainly not returning to normal. I personally regret the fact that this government has chosen to hold the line against inflation by putting the burden on the backs of the public service workers out on strike, especially in view of the fact they are the lowest paid people in the civil service and, for that matter, in the country. I am not about to decide who is wrong in the dispute, but the longshoremen are not the lowest paid people in the country by a long shot. The dispute between the longshoremen and their employer seems to centre around the fact there is dispute over a clause which management wants to have changed. It would change the procedure for handling container cargo.

The whole of the west coast is now tied up in two disputes. The government is on record as saying on more than one occasion that its concern is the public interest. However, I asked a question of the government House leader on February 28, as recorded at page 3663 of *Hansard*. I quote:

—will the government House leader advise this House whether in the view of the government the national interest is being affected by the present stoppage of grain shipments due to the present legal strike?

The minister replied:

—I support the position of my colleague, the President of the Treasury Board, that this is a time for negotiation—

As I said, my question is twofold.

Mr. Deputy Speaker: Order, please. I regret I have to interrupt the hon. member, but the time allotted to him has expired.

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, at the present time, the movement of export grain and other goods from west coast ports is being interrupted by two work stoppages, one in the public sector and one in the private sector. These groups include a walkout of the federal government's general labour and trades group, which includes grain weighmen and samplers under the jurisdiction of the Canadian Grain Commission, as well as approximately 4,000 longshoremen. These longshoremen have been in negotiation with the British Columbia Maritime Employers' Association and struck this past weekend in support of their demands. In this complex situation both disputes will have to be resolved before grain and other goods start moving once again. It is our hope they can be settled by a process of negotiation between the parties concerned.

● (2220)

While it is true that legislation has been used in the past to end disputes such as these, it is premature to suggest that this course of action will be followed, particularly since the longshoremen commenced their walk-out only today. In May of last year, after Parliament had been dissolved, the Canada Labour Code was used to prevent a work stoppage of grain elevator employees. Dissolution is not a factor this time, so the procedure under that act cannot be applied in the same manner. However, the full parliamentary process could be invoked at short notice should it be considered appropriate.

At the moment approximately 30 vessels are waiting in Vancouver to take on grain. There are almost 11,000 railway cars loaded with grain, stacked up from Vancouver and Prince Rupert back to the prairies awaiting movement.

There is no doubt these strikes are affecting a vital national interest. It is just as vital that the parties concerned, including the government, be given the opportunity of negotiating their respective positions before that right is removed by parliament.

CANADIAN BROADCASTING CORPORATION—ALLEGED DELAY IN ESTABLISHING BROADCASTING STATION FOR OKANAGAN VALLEY

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, on Friday, February 28, I asked the Secretary of State (Mr. Faulkner) whether the proposed CBC radio broadcasting station for the Okanagan Valley in British Columbia is being held up because a suitable site is being sought for a French television station. It appears that as soon as anyone asks a question in this House relating to a subject such as this he is immediately labelled anti-French, but this is not the case. I believe this is a very legitimate question to be asking at this time.

The people of the Okanagan Valley have been asking for a CBC radio broadcasting station for a number of years. In the two and a half years that I have been here I have had a number of representations on this subject and I have discussed it with many people in the Okanagan Valley. They feel they have been discriminated against for many years by not being able to have a full CBC radio station. The proposed CBC radio station would serve about 150,000 people in the area, many of whom have moved in to retire from other areas of Canada and have had access to CBC radio. They just cannot understand why there is not a broadcasting station in the Okanagan when they move in, especially when there are so many people in the coverage area.

I have been pressing the Minister of Communications (Mr. Pelletier) and the Secretary of State over the past

two years. Finally, on November 25, I received a letter from the Secretary of State in which he said:

> I am advised by the CBC that barring further capital budget restraints, under the affiliate replacement plan, which applies in the case of Penticton, Kelowna and Vernon, B.C., they expect to submit an application to CRTC by the fall of 1975. The Corporation further informs me that having received CRTC approval they will need some twelve months before becoming operational in the areas you have identified.

This was very encouraging because I thought that it would bring the CBC broadcasting station quite soon to the Okanagan Valley. I also know that the existing broadcasting stations in Kelowna, Vernon and Penticton are very interested in having CBC establish a full time broadcasting station. They are so interested that they have between them devised a plan so that they would be able to accommodate a CBC radio station. This would provide the necessary engineering and funding to make available a full time radio station. The only thing they want in return is a guaranteed lease for the next few years.

I understand that this proposition has been submitted to CRTC complete with the overall monthly or yearly cost. The cost seems quite reasonable for the number of people who would be served. This service could begin very quickly, using the facilities proposed by these radio broadcasting companies. I have just recently heard that the CRTC is looking for a site in the Okanagan that would accommodate both a CBC broadcasting station and a French TV broadcasting station. It would appear that this would be a much more costly venture and would take much longer to bring into effect. The French TV station would accommodate between one and one-half per cent of the people of the Okanagan, while the CBC radio broadcasting station would accommodate over 150,000 people.

I think it would be fair to point out at this time that there are areas in my riding of Okanagan Boundary that do not even have a CBC-TV broadcasting station now, or can only receive Canadian TV through their own ingenuity, the people in the area having put up the necessary equipment themselves in order to receive this TV. I would also like to point out that there are areas in my riding that do not even get any TV, places such as Christina Lake.

I certainly believe that the majority should be serviced first by the CBC and CRTC before any moneys are spent on a costly French TV network. I would, therefore, respectfully ask that the government adopt a policy that will ensure that the majority of the people get the service for which they have been asking and to which they should be entitled.

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Mr. Speaker, in answer to the hon. member for Okanagan Boundary (Mr. Whittaker) I have some information obtained from the Canadian Broadcasting Corporation through the Secretary of State (Mr. Faulkner).

Two major undertakings by the CBC are involved in the matter of improving service to the Okanagan valley. One plan is known as the radio replacement plan and the other is known as the accelerated coverage plan. The radio replacement plan arises out of the fact that many years ago resources were not available for the CBC to build its own radio transmitters in many locations. The private sector of radio was, therefore, given the responsibility of representing the CBC in many communities. The privately owned stations could carry only a portion of the total service, but this was better than no service at all.

In recent years commercial radio network programming has dropped markedly and radio broadcasting styles have changed; the affiliation arrangements in radio have become more and more unsatisfactory to both the CBC and the privately owned radio affiliates. As a consequence, the CBC has recently embarked on a program of construction of its own radio transmitters in order to eliminate to a great extent the need for affiliation. Three such transmitters, broadcasting the complete CBC English AM radio network service, are planned for Kelowna, Penticton and Vernon. In addition, Kamloops forms part of this group.

Early last year the CBC had hoped to apply for licences for those three stations late in 1974. The effect of inflation on the CBC's capital budget has caused a postponement of the licence applications, and it is now expected that the applications will be submitted late this year.

The other major CBC undertaking is the accelerated coverage plan. Under this plan, CBC service will be extended in the required official language to all unserved areas containing 500 or more people. Under this plan, French service will be extended to Kelowna in late 1977. The CBC wishes to make clear that the accelerated coverage plan is separately funded; the accelerated coverage plan is not responsible for the budget constraints experienced by the CBC's radio replacement plan, and the resultant one year delay in the plans for CBC English language radio transmitters in Kelowna, Penticton and Vernon, together with Kamloops.

Motion agreed to and the House adjourned at 10.32 p.m.

HOUSE OF COMMONS

Tuesday, March 4, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AIR CANADA

PROPOSED INQUIRY INTO OPERATION OF COMPANY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise pursuant to Standing Order 43 to present a motion on a matter of urgent and pressing necessity. The weekend resignation of Air Canada vice-president Yves Menard amid conflict of interest charges, the previous widespread knowledge of his holdings among Air Canada officials, the frequent reports of other conflicts of interest such as that involving Air Canada's Skifari package to Jasper and the telegram sent this morning to the Minister of Transport (Mr. Marchand) from 73 Air Canada revenue accounting employees demanding an investigation into Air Canada, as well as the previous but constant reports of managerial disarray, low employee morale, directors' meetings held in Florida, and the unique in-Canada deficit incurred by Air Canada this year, are reasons why the House has no alternative but to support this motion for the sake of our national airline's future. I move, seconded by the hon. member for Portage (Mr. Masniuk):

That the House direct the Acting Prime Minister to initiate an immediate independent inquiry into the entire operation of the Air Canada Crown corporation.

Mr. Speaker: The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43, it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

SUGGESTED MEETING WITH WINNIPEG FINANCE BRANCH EMPLOYEES TO SETTLE DISPUTE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise on a matter that has been raised by my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), and myself. Under the provisions of Standing Order 43, I wish to move a motion, seconded by the hon. member for Winnipeg North Centre:

That the Minister of Transport direct Air Canada to meet immediately with its finance branch employees in Winnipeg for the purpose of settling their dispute which has now gone on for many months.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43. It cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

AIR TRANSPORT

SUGGESTION TRANSAIR BE DESIGNATED REGIONAL CARRIER WEST OF WINNIPEG—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, under Standing Order 43 I would like to raise a matter of urgent and public necessity. In view of the fact that communities in western Manitoba and eastern Saskatchewan, representing a population of some 200,000, have been without air service for over a year, the statement by the Minister of Transport (Mr. Marchand) that adequate air transportation is essential to regional economic development and the denial by the Air Transport Committee on February 27 of the application of Transair, the designated regional air carrier to provide jet service without subsidy into the region and the intervention of Air Canada in the application to preserve its monopoly position, I therefore move, seconded by the hon. member for Marquette (Mr. Stewart):

● (1410)

That the Minister of Transport take the necessary action to make it possible for Transair, as the designated regional carrier, to carry out its responsibilities west of Winnipeg.

Mr. Speaker: The House has heard the terms of the motion which is put forward pursuant to Standing Order 43. It requires unanimous consent before it can be moved. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Canadian Economy

CANADIAN BROADCASTING CORPORATION

FAILURE OF CORPORATION TO PROVIDE OPPORTUNITY TO ANSWER IMPERIAL OIL COMMERCIALS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I, too, rise on a matter of urgent and pressing necessity pursuant to Standing Order 43.

In view of the recent commencement of the Berger Commission hearings in the Northwest Territories deliberating on northern development, and in view of the fact that the CBC continues to accept advertising from Imperial Oil Limited which deals with matters of controversy and opinion, in particular with the question of northern development, and in view of the fact that no opportunity has been provided by the CBC network or its affiliated stations for a reply to be given by public interest groups, I move, seconded by the hon. member for Sault Ste. Marie:

That this matter be forthwith referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts, and that the committee be requested to call Mr. Picard, President of CBC, to explain why BBG circular No. 51 has not been followed and why a right to fair answer has not been given in response to Imperial Oil commercials and further that the committee be requested to study orders for amendments to the broadcasting legislation to provide for fair answers and responses to commercial advertising dealing with public and controversial subjects.

Mr. Speaker: The House has heard the terms of the motion which, since it is proposed under the terms of Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CANADIAN ECONOMY

REQUEST FOR MEASURES TO COUNTERACT CURRENT ECONOMIC SLUMP—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise on a motion of urgent and pressing necessity under the provisions of Standing Order 43. I wish to say that had it not been for the twelve noon deadline set by the House and the delay in issuing Statistics Canada figures, which confirm that the economy has slipped into a recession, I would have moved this motion under Standing Order 26 for debate.

However, in light of the GNP figures released today which show there has been a decline of 1.3 per cent in real growth in the fourth quarter of 1974 resulting in a standstill year in growth for Canada, I move, seconded by the hon. member for Central Nova:

That this House instruct the federal government to exercise its mandate of responsible leadership promised to the Canadian people in the last election and that the Minister of Finance make a statement on motions on the status of Canada's economy and immediately initiate preparations for the introduction of a new budget which would more effectively counteract the current economic slump.

[Mr. Speaker.]

Mr. Speaker: The motion, which is proposed pursuant to Standing Order 43, requires the unanimous consent of the House before it can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Murta: Mr. Speaker, I am rising on a point of order in relation to the catastrophe which has developed in the grain industry caused by the current strikes at Vancouver. The situation is past the stage where it matters who is wrong and who is right. Canada's reputation as a reliable grain supplier has been severely damaged and the Canadian Wheat Board is contemplating either limiting sales or cancelling overseas delivery orders.

I believe the government House leader has a responsibility to the Canadian people to put forward emergency legislation placing the grain workers involved in the strikes at the West Coast back at work. I do not necessarily like this method of settling a labour dispute, but the situation at Vancouver is so serious that I believe this kind of action is warranted.

ORAL QUESTION PERIOD

[*English*]

ENERGY

MACKENZIE VALLEY PIPELINE—GOVERNMENT POLICY ON ENVIRONMENTAL IMPACT—POSSIBILITY OF AWAITING BERGER COMMISSION REPORT BEFORE DECISION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Acting Prime Minister having to do with the construction of a gas pipeline from the north. May I ask the Acting Prime Minister whether what I am quoting still represents government policy. On July 19, 1973 the then minister of Indian affairs and northern development, now President of the Treasury Board, said in evidence in the appropriate House committee:

As Minister of Northern Development, I am responsible for granting a right of way in the Northwest Territories and the Yukon. Under the Territorial Lands Act I can hold hearings. And before I give to any group a right of way to build a pipeline, I shall have public hearings to assess the social and environmental impact on the construction of a pipeline in the north.

Is that still the policy of the government?

Hon. Mitchell Sharp (Acting Prime Minister): Yes, Mr. Speaker.

Mr. Stanfield: Has the Acting Prime Minister reversed the position that he seemed to take in the House yesterday, that the government would not necessarily await, or that he would not commit the government to await, the outcome of the hearings now taking place before making a decision regarding the gas line?

Mr. Sharp: Mr. Speaker, it is our expectation that Mr. Justice Berger will be able to complete his hearings and

his report in plenty of time for the government to make a decision. The question that was put to me yesterday was: Could I give a categorical answer that under all circumstances we would await the report? In order, of course, to protect the position of the government, in circumstances that one cannot foresee at the present time, I had to say that I could not give a categorical answer; but we fully expect that Mr. Justice Berger will be able to complete all his hearings in time for us to take action.

MACKENZIE VALLEY PIPELINE—ISSUANCE OF PIPELINE GUIDELINES

Hon. Robert L. Stanfield (Leader of the Opposition): A final supplementary question, Mr. Speaker. Despite what the Acting Prime Minister says, it is clearly a change in position. I should like to ask a supplementary question of the Acting Prime Minister which arises out of the guidelines laid down on June 28, 1972 relating to pipelines and the National Energy Board. Again I quote:

Any certificate issued—

That is, by the National Energy Board.

—will be strictly conditioned in respect of preservation of the ecology and environment, prevention of pollution, prevention of thermal and other erosion, freedom of navigation, and the protection of the rights of northern residents, according to standards issued by the Governor General in Council on the advice of the Department of Indian Affairs and Northern Development.

Have those standards been issued by the government, will they be issued in a public manner, and will there be an opportunity for this House to debate the adequacy of these standards before the National Energy Board makes a decision with regard to any application?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, if I may, I would say that the pipeline guidelines which have been laid down both by my department and the Department of Indian Affairs and Northern Development several years in the past, copies of which have been made available to the House, would certainly govern any such decision of the National Energy Board. Actually, the board is an autonomous tribunal and will have to arrive at its own conclusions in this regard; but within its jurisdiction it would, of course, take account of government guidelines that are laid down.

Mr. Stanfield: I rise on a point of order, Mr. Speaker. Either the minister does not know what is going on in the government or his department, or he is trying to mislead the House. The guidelines of June 28, 1972 referred to any certificate of the National Energy Board being conditioned according to standards issued by the Governor General in Council on the advice of the Department of Indian Affairs and Northern Development. I am reading from the guidelines of the government.

● (1420)

MACKENZIE VALLEY PIPELINE—CONDITIONS UNDER WHICH GOVERNMENT WOULD PROCEED PRIOR TO BERGER COMMISSION REPORT

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I would direct my question to the Acting Prime Minister. Now that he has changed his position on the question of the Berger inquiry, I wonder if he would tell the House whether there are any conditions under which the government would proceed with the pipeline before the receipt of the Berger inquiry report, and would he indicate generally what those conditions would be?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is exactly because such conditions are uncertain and unforeseeable that one has to retain a caveat.

Mr. Woolliams: Mr. Speaker, I rise on a question of privilege. In light of the answers given by the Acting Prime Minister to questions today, I should like to bring to his attention what he said in answer yesterday to a question by the hon. member for Nanaimo-Cowichan-The Islands. The minister said in part:

No, Mr. Speaker, I could not give such a categorical assurance. It would depend a great deal on the nature of the report—

He did not say it would depend on the circumstances or on an emergency, but on the nature of the report to be presented by Mr. Justice Berger. In other words, if he did not like the report he would throw it in the ash can. That is really what he said yesterday.

Some hon. Members: Oh, oh!

An hon. Member: Rubbish.

Mr. Woolliams: Mr. Speaker, my friend says "rubbish"; that is what the Prime Minister would likely say about the report.

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, on that point of order let me say that two questions were put to me yesterday by the hon. member for Nanaimo-Cowichan-The Islands. After I had given that first answer the hon. member said:

—I am sure the Acting Prime Minister misunderstood my question. I was not asking whether the government would agree not to proceed if Mr. Justice Berger's report should be negative.

Following that I then gave this answer:

Mr. Speaker, I would hesitate to give a categorical reply to this question. It is our hope that Mr. Justice Berger will bring down his report in time for it to be considered when we receive a recommendation from the National Energy Board.

That is what I said here today.

Mr. Speaker: Order, please. The hon. member for Calgary North seeks the floor again on a question of privilege. The question of discrepancies that may exist in the interpretation of answers given from one day to another or by one minister or another certainly do not constitute a question of privilege. If the hon. member for Calgary North has some other question of privilege I would be glad to hear it. The opportunity for further questioning of the minister is always open if the minister has somehow left himself open to criticism that gives rise to a further question, but that is not justification for debate during the question period. Unless there is a fresh question of privilege, I would prefer to go on with the hon. member for Rocky Mountain.

Mr. Clark (Rocky Mountain): Mr. Speaker, in the event the government proceeds before the receipt of the report

of the Berger Inquiry, on what agency does the government intend to rely for data respecting the preservation of the ecology and the environment, and for the prevention of pollution and other requirements upon which the issuing of a certificate allowing the pipeline are conditional?

Mr. Sharp: Mr. Speaker, the hon. gentleman is dealing with a very hypothetical situation which is unforeseeable. At the present time we are depending upon a report from Mr. Justice Berger, whom we appointed for this purpose. He is one of the more enlightened and credible people in this field and we are looking forward to receiving his report.

MACKENZIE VALLEY PIPELINE—REQUEST FOR ASSURANCE GOVERNMENT WILL NOT PROCEED UNTIL BERGER COMMISSION REPORT RECEIVED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to pose a question to the Acting Prime Minister which arises from the statement in the House yesterday by the Minister of Energy, Mines and Resources as recorded at page 3710 of *Hansard*, in which the minister said:

—any decision on the Mackenzie Valley pipeline could go ahead only after appropriate regulatory proceedings, particularly after a study of land rights.

I should like to ask whether that represents the government's policy with reference to proceeding with the Mackenzie Valley gas pipeline.

Hon. Mitchell Sharp (Acting Prime Minister): Yes, Mr. Speaker.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary, Mr. Speaker. In view of the fact that the regulatory proceedings will of course be conducted by the National Energy Board and will deal with engineering feasibility studies, demand and supply of available gas and with the pipeline rates which may be charged but that the matter of land rights does not come within their jurisdiction and is the task that was assigned to the Berger Commission, I want to ask the Acting Prime Minister if that means that the government will not proceed with the construction of the Mackenzie Valley pipeline until it has received the Berger report dealing with land rights.

Mr. Sharp: Well, Mr. Speaker, my colleague the Minister of Energy, Mines and Resources, when he answered a question for the hon. member for Calgary North, said:

Certainly our objective would be to have Mr. Justice Berger's report before us. The government cannot proceed unless there has been a positive decision by the National Energy Board on this particular subject.

This is the government's policy. This is why we have asked Mr. Justice Berger to conduct his inquiry. We have every expectation that he will complete his report in time.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that the question is not whether the government has any expectation or any hope that it will receive the report by Mr. Justice Berger at a specific time, but is whether or not he can give the House assurance that the pipeline will not be proceeded with until the report has been received and the minister keeps speaking of haste, I wish to ask the minister what haste there is in view of the fact that the government, when approving exports of gas, tells the Canadian people they have ample supplies.

I want to ask the minister whether the government is prepared to undertake a phasing down of our exports of gas and a stimulated program of exploration and development of gas in the settled areas of Canada so that we can have a great deal more time to study this matter which can have such disastrous consequences for the Canadian people.

Mr. Sharp: Well, Mr. Speaker, there may be differences of opinion as to which is the more urgent matter under these circumstances, but may I direct the attention of the hon. gentleman and the House to the terms of the Order in Council under which Mr. Justice Berger was appointed. One of the clauses states that his Excellency the Governor General in Council is further pleased to hereby direct Mr. Justice Berger to report to the Minister of Indian Affairs and Northern Development with all reasonable despatch and file with the minister the papers and reference of the inquiry as soon as may be reasonable after the conclusion thereof.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I rise on a point of order, Mr. Speaker. Surely the minister could answer a question with reference to the reason for the haste and why the government is retaining a caveat of it being urgent to proceed in certain circumstances without waiting for Mr. Justice Berger's report other than by merely quoting from an Order in Council to the effect that Mr. Justice Berger will report with all possible speed. It is anticipated he will report with all possible speed, but that does not answer the question concerning whether or not the government, which has committed itself to securing a report on the land claims of the native people, will wait until it receives that report before authorizing construction of the pipeline.

Mr. Sharp: Mr. Speaker, the hon. gentleman is dealing with a very hypothetical situation. We are fully expecting that Mr. Justice Berger will carry out the mandate that was put before him by the Governor in Council. He has accepted it and has agreed that he will report with all reasonable despatch. He is a very diligent and a very effective person and we fully expect he will report in time.

* * *

[Translation]

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENTS MADE BY ELECTRONIC PAY CENTRES—GOVERNMENT POSITION

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

No one will deny that the province of Quebec in particular is now suffering from a rampant unemployment rate which practically doubled these last few months. Several times the attention of the minister was drawn to delays in

the distribution of unemployment allowances done by payment centres, especially that of Montreal which looks after payments for the whole province. According to the figures we have more than 48 per cent of the delays occur in the distribution of payments. Is the minister accurately informed about the administration and efficiency of those computerized payment centres? In view of those considerations and information, has the minister decided to take measures to make sure the applicants will get their allowances in the present difficult economic period and, if so, does he intend to make them known to the House and when?

● (1430)

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the hon. member raised this point a few days ago and I indicated to him then that it would be very helpful not to generalize about these situations but to give me or the chairman of the Unemployment Insurance Commission as precise and specific information as is possible which will help us to do what the hon. member wants us to do, that is to pin down any exceptions to the general rule applied in the province of Quebec. I would be grateful if he could do this because, to my knowledge, I have not had that precise information.

* * *

ENERGY

MACKENZIE VALLEY PIPELINE—MANDATE GIVEN MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT BEFORE RIGHT-OF-WAY GRANTED FOR PIPELINE

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my supplementary question is directed to the Acting Prime Minister, and it has to do with a reply to a question that I had put to the previous minister of Indian affairs and northern development in committee on July 19 with regard to the inquiry in the right-of-way of the Mackenzie Valley pipeline. The minister said the following in reply:

> ... and I have a mandate from the cabinet to look at the social and environmental aspects before I grant a right-of-way.

My question is whether that mandate from the cabinet still applies to the present Minister of Indian Affairs and Northern Development, yes or no?

Hon. Mitchell Sharp (Acting Prime Minister): Yes, Mr. Speaker, the minister has the same responsibilities now as he had then and he has accepted them. He is a very responsible minister who is obviously doing an excellent job.

Some hon. Members: Hear, hear!

[*Later:*]

Miss MacDonald (Kingston and the Islands): Mr. Speaker, my supplementary question refers to the question which the Acting Prime Minister did not answer, and that is whether or not the mandate from cabinet still holds with regard to the study of the social and environmental aspects before granting the right-of-way for the pipeline.

Mr. Sharp: Those are precisely the terms of reference that have been given to Mr. Justice Berger on which he has been asked to hold inquiries and to report as quickly as possible.

MACKENZIE VALLEY PIPELINE—AVAILABILITY OF ENVIRONMENTAL IMPACT STUDIES PLACED BEFORE BERGER COMMISSION

Hon. Mitchell Sharp (Acting Prime Minister): While I am on my feet perhaps I could be permitted to give an answer to a question asked by the hon. member for Crowfoot yesterday regarding certain studies, whether they would be publicly available. The answer to that is, yes, the list of studies that have been put before the inquiry have been published. I have a copy here. Any of these may be requested and they are publicly available.

* * *

HARBOURS

HAMILTON HARBOUR COMMISSION—DATE OF WHICH MINISTER REQUESTED POLICE INVESTIGATION AND TO WHOM REQUEST DIRECTED

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, before putting my question may I say that we on this side of the House have the right to know who is the acting Minister of Labour in the House this afternoon and who is the acting Solicitor General in the House this afternoon.

Some hon. Members: Oh, oh!

Mr. Speaker: If the hon. member for Northumberland-Durham has a question to ask of the Minister of Labour, he might put it in those terms and see who replies.

Mr. Lawrence: I was really more worried about the Solicitor General.

An hon. Member: He is there in his place.

An hon. Member: You need a rest.

Mr. Lawrence: My question is for the Minister of Transport—

Some hon. Members: Oh, oh!

Mr. Lawrence: —whoever he may be.

Mr. Baker (Grenville-Carleton): Or wherever he may be.

Some hon. Members: Oh, oh!

Mr. Lawrence: I have given him and everybody else notice of it, Sir. My question is: what was the date on which the Minister of Transport or his predecessor in office first gave actual notice that he desired a police investigation to be carried out into the Hamilton harbour irregularities, and was this request given verbally or in writing. I ask that question in light of the three contradictory dates that are already on the public record.

Hon. Jean Marchand (Minister of Transport): This is not an easy question.

Some hon. Members: Oh, oh!

An hon. Member: The whole thing is a mess.

Mr. Marchand (Langelier): Mr. Speaker, since I am practising my French I will try to give the answer in French.

[*Translation*]

What I see in the heading is K1A 0N5 and at the end it is—

[*English*]

Letter typed, January 8, 1974.

Mr. Lawrence: Is it January 28, 1974?

Mr. Marchand (Langelier): No, January 8, 1974.

An hon. Member: January 18?

Mr. Marchand (Langelier): I am sorry, I was wrong to lie to the hon. member but I could not resist it. The date is January 8, 1973.

Some hon. Members: Oh, oh!

Mr. Speaker: The answer, I take it, is 1973.

Mr. Lawrence: January 8, 1973?

Some hon. Members: 1873.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, in terms as precise as I can use, it is January 8, 1973. Is that clear?

[*English*]

Mr. Lawrence: Could the minister inform us whether he made this request verbally or in writing and whether he made it to the RCMP or to his cabinet colleague, the Solicitor General.

An hon. Member: The acting Solicitor General?

Mr. Marchand (Langelier): The letter I have here is written to the Commissioner, RCMP, Ottawa, Ontario, K1A 0R2.

Mr. Forrestall: Mr. Speaker, I rise on a point of order on this most serious matter which members on the government benches and their supporters in the background seem to be treating lightly. I wonder if I might ask the Minister of Transport, because he has given an indication to the House that he would table these letters, whether he would table them forthwith so that we might dispense with this hilarity with which the minister is treating this very serious subject.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): I said the other day that because there were some names involved and the RCMP is making inquiries into this affair I would not table these letters because I think it would be unjust to the people named in them.

[Mr. Lawrence.]

● (1440)

HAMILTON HARBOUR COMMISSION—MANNER IN WHICH INVESTIGATION STARTED

Mr. Allan Lawrence (Northumberland-Durham): Would the Minister of Transport please explain to the House how the circumstances in respect of these allegations, which aroused his suspicions about this matter, were presented to him? Did they come to him from police sources, from cabinet sources or outside sources? How did these matters come to his attention?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): I think, Mr. Speaker, that I have already answered that question, but I am ready to answer it again. I believe the Hamilton City Council withdrew its representative from the Hamilton Harbour Commission, which of course led the Royal Canadian Mounted Police to suspicions. I then asked them to make a complete inquiry into what had happened in the Hamilton case. That's about it, and one day we will have the play-by-play description.

[*English*]

Mr. Lawrence: Am I to gather from what the minister has said that the initiative in respect of the matter came to him from the RCMP in the first place?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I think it came from the Hamilton city council—

[*English*]

It came from the Hamilton city council which noticed that something abnormal was going on.

Mr. Forrestall: I'll get you in a minute.

Mr. Marchand (Langelier): Come and sit here and I will show you the letter.

[*Translation*]

After that revelation, I merely asked the Royal Canadian Mounted Police to make an inquiry, through the Solicitor General of Canada.

[*English*]

Mr. Forrestall: Mr. Speaker, I would ask Your Honour for the benefit of the advice of the Chair on this question of privilege or point of order. I think it has been a long standing practice in this chamber that when a minister quotes from documents, particularly letters, he has some long standing obligation to table those letters for the edification of the members. I wonder if the minister might now respond to the traditions of the House and table the correspondence from which he is quoting.

Mr. Reid: Mr. Speaker, it is my impression that the minister did not quote from a document.

Some hon. Members: Oh, oh!

Mr. Lawrence: What are you talking about; there was an invitation to go over and read it.

Mr. Yewchuk: Mr. Speaker, I sit right in front of the minister, and I did see him quoting directly from the

document which he held in his hand. He read from it, including reading the postal code. It seems to me that his memory could not be so good that he could remember the postal code without making a direct quotation from the letter.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Minister of Transport on the point of order.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I rise on a point of order.

To complete this information and clear up a misunderstanding, may I say that the hon. member is right when he complains of inconsistencies which in fact are not. I wrote about this, first to the RCMP Commissioner on January 8, and then to the Solicitor General of Canada on January 12, requesting a full investigation on what was going on in the Hamilton harbour. Therefore, the dates are January 8 and 12. I realize that one date may have been confused with the other.

[*English*]

Mr. Speaker: Order, please. There is a point of order before the House at the moment. The suggestion has been made that the minister is compelled to table the document which he has described. The basis of that is twofold: first, that the minister has quoted from the document and that by a long standing practice of this House—which is not in any way in question—a minister of the Crown who quotes from a document is obliged to table the document. The question is: has the minister, in answering a question in the House, quoted from a document by reading the address, including the postal code? Is that in fact a quotation from the document? I think hon. members would have to agree that that would be stretching that interpretation.

Some hon. Members: Oh, oh!

Mr. Speaker: Surely, a reasonable interpretation of the words "quotation from a document" must mean a quotation from the body of a document and not just, when answering the question to whom was it directed, saying that it was directed to the following, and reading the salutation in the letter.

The second ground advanced is that the minister has undertaken to table the letter. He indicated clearly in earlier questioning that there was a letter which he had written requesting this investigation and that he would be happy to proceed to table that document. That has given rise to legitimate points of order since that time on the ground that the minister, having said that he would table it, ought to do so. The response has been that he finds himself in a situation in which, before tabling the letter, he ought to take legal advice to see whether or not there would be persons offended by some breach of privilege because of their identity in that letter. That is the minister's response since undertaking to table the letter, and I am not aware of any steps this House can take at this time, short of a motion, to compel him to table that letter while he is taking that kind of legal advice.

Oral Questions

HAMILTON HARBOUR COMMISSION—REASON FOR RCMP INVESTIGATION RATHER THAN PUBLIC INQUIRY

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, on a supplementary to the Minister of Transport, and in keeping with his statement that he was advised by the city of Hamilton of abnormal goings on, I believe, subsequent to which he called for an RCMP inquiry, can the minister advise why he opted for the RCMP inquiry rather than to conduct a full scale inquiry into the activities of the Hamilton Harbour Commission, which apparently had been asked for since October of 1972? Why did he not take the advice of the city of Hamilton which was concerned about the abnormal goings on at that particular time?

Hon. Jean Marchand (Minister of Transport): Because the city of Hamilton was responsible for the operation of the commission.

HAMILTON HARBOUR COMMISSION—DATE ON WHICH RCMP FIRST INVOLVED IN INVESTIGATION

Mr. Lincoln M. Alexander (Hamilton West): The minister either conveniently does not understand my question or does not want to answer it. If I understand correctly, the minister said that the RCMP first became involved with an inquiry on or about January 8, 1973 regarding the Hamilton harbour activity. Is the minister now saying that this is the first time the RCMP was involved with the activities of the harbour, or can he advise when in fact the RCMP, prior to his advising them to make a full inquiry, became involved with some inquiry with respect to the Hamilton harbour, or was January 8 the first time?

Hon. Jean Marchand (Minister of Transport): I think that the question should be put to the city of Hamilton, not to myself.

Mr. Alexander: I do not know whether the minister can understand me or whether he is trying to evade my question. The question is simple. The minister indicated to the House that he advised the RCMP to initiate a full investigation. All I am asking is when in fact the RCMP did get involved in this matter. Was it prior to this time on a partial investigation, or was this the first time to the minister's knowledge, through his colleagues, that the RCMP became involved with investigating activities around the Hamilton harbour? Surely, that is within the minister's knowledge.

Mr. Marchand (Langelier): I really do not know why we have so many problems in this House.

An hon. Member: Because of you.

Mr. Lawrence: We wouldn't if you would give a straight answer for a change.

Mr. Marchand (Langelier): The hon. member for Hamilton West knows the normal procedure very well, and he should know because he is a lawyer. I am even told that he is a good lawyer.

Mr. Turner (Ottawa-Carleton): I want you to think that one over, Jean.

Mr. Marchand (Langelier): I think that I took the normal procedure as Minister of Transport knowing that something was going wrong in the Hamilton Harbour Commission. So, I wrote to the commissioner of the RCMP, but I sent this letter and another letter to the Solicitor General of Canada, who is responsible for the RCMP. I am not the one who can give orders to the RCMP. That is why we have two letters, one dated January 8, and the other, if I am not mistaken, January 12. Is that not right?

● (1450)

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): So I followed the procedure. I informed the RCMP and I asked the Solicitor General, who has authority, to give orders to the RCMP to make the inquiry. That is all. There is nothing else.

Mr. Alexander: Mr. Speaker, may I ask the minister this question: Was the RCMP investigating, in some way and under some authority, the Hamilton harbour activities prior to the time the minister wrote the letter calling for an inquiry. That is all I am asking. Does he know the answer.

Mr. Marchand (Langelier): Mr. Speaker, I don't know the answer. I don't know.

* * *

ENERGY

MACKENZIE VALLEY PIPELINE—REASON FOR NON-INTERVENTION OF DEPARTMENT OF ENVIRONMENT IN BERGER COMMISSION HEARINGS—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct my question to the Acting Prime Minister. In view of persistent reports that some of Canada's foremost scientists with respect to the environment of the Mackenzie region have been silenced by a federal cabinet order saying that the Department of the Environment specialists are not to participate actively in the Berger hearings, can the Acting Prime Minister say whether he has made the investigation which he said yesterday he would make and is he now able to inform us whether that silencing order was given by the government, by the Minister of the Environment or by the Minister of Indian Affairs and Northern Development.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, may I, on behalf of the Acting Prime Minister, indicate that all the environmental studies done, and a great number have been done on behalf of the government of Canada, have now been published or will be published, with one or two exceptions. These, for environmental reasons, are not being made public. The Department of the Environment, my own department and others have lent personnel to the Berger commission, that commission having sought those people, and in no sense has there been any withholding of information by a qualified person; neither has information contained in studies done on behalf of the government been withheld from the Berger commission.

[Mr. Turner (Ottawa-Carleton).]

I wonder if, while I am on my feet, I might deal with a question raised by the Leader of the Opposition—

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before the minister goes on in another direction, may I ask whether the government will see to it that the Department of the Environment does its job and actually intervenes before the Berger commission, in order to present the environmental aspects of this matter.

Mr. Macdonald (Rosedale): Mr. Speaker, the government has been laying all environmental information before the Berger commission and has made available the services of qualified advisers. I do not think the government should be in the position of trying to direct the Berger commission in any particular way. Our purpose in appointing Mr. Justice Berger and for instituting hearings under the National Energy Board was to enable the inquiry boards to make a full judgment on the qualified information and advice which may be presented to them. I do not think that I, as the minister, or anybody else should try to direct either inquiry.

[*Later:*]

Mr. Speaker, may I raise a question of privilege? A little earlier in the question period the Leader of the Opposition quoted from a document, the 1972 pipeline guidelines. He quoted a specific passage which he said was part of these guidelines to do with standards to be issued for the National Energy Board. The passage which he quoted was from a 1970 press release, which is an appendix to that particular set of guidelines. The 1972 guidelines superseded that press release, superseded those guidelines and, indeed, implemented the standards which exist.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I don't know what the minister is trying to do. I was quoting from the 1972 guidelines.

Mr. Macdonald (Rosedale): Mr. Speaker, the Leader of the Opposition quoted from the 1970 press release, which is an appendix to the 1972 guidelines.

Mr. Stanfield: Mr. Speaker, I am afraid the truth is that the minister does not know what is in those guidelines. I and the Canadian people want to know what the standards are and when the government will produce them.

Mr. Speaker: Order, please. No matter whether it is clear as to which document was quoted, I imagine it is perfectly clear that the point has nothing to do with a question of privilege.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker—

Mr. Macdonald (Rosedale): The Leader of the Opposition is trying to mislead us again.

Mr. Stanfield: You had better smarten up.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I still would like an answer to my question. It was straightforward. Were officials of the Department of the Environment prevented from intervening before the Berger commission and answering questions?

Mr. Macdonald (Rosedale): Mr. Speaker, I know of no such prevention.

* * *

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION INTO HAMILTON HARBOUR DREDGING CONTRACTS—REASON FOR DELAY IN EXTENDING INVESTIGATION INTO OTHER DREDGING CONTRACTS

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Solicitor General. As companies involved in the Hamilton harbour incident were also involved in other dredging contracts, particularly in Quebec, why did it take the RCMP almost two years to extend their investigation into dredging contracts involving those companies operating outside Hamilton?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the RCMP started their investigation in Hamilton.

Mr. Alexander: When?

Mr. Allmand: The date has been given. I forget the exact date. It followed the request of the Minister of Transport. This became a criminal investigation because there was suspicion that a criminal offence had been committed. This investigation was proved to be the right one because, subsequently, three people were found guilty and two more trials are pending.

Once the RCMP investigated that case, they found that it led to other evidence relating to other contracts; they investigated those contracts as well, and that evidence led to further evidence. As they continued investigating, more evidence became available, and this has led them to the wider type of investigation now under way.

Mr. McGrath: A supplementary question, Mr. Speaker. If the evidence showed that there was ground for suspicion in other areas, why was it necessary for the Minister of Transport to request the RCMP to investigate in Île d'Orléans.

Mr. Allmand: Mr. Speaker, investigations began at Hamilton. Once the RCMP started investigating the case in Hamilton, evidence came to light which led them to the Quebec city incident. As I said, evidence led them to believe that there could be some kind of impropriety in other parts of the country as well, and they are presently checking this out.

INVESTIGATION INTO ÎLE D'ORLÉANS DREDGING CONTRACT—RESPONSIBILITY FOR INITIATING INVESTIGATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I ask a final supplementary question. Did the RCMP extend the investigation into the Ile d'Orléans contract on their own initiative, or were they requested so to do by the Minister of Transport?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, they were requested by the Minister of Transport to begin investigations in Hamilton. Once the RCMP found there was evidence which led them to Quebec city, they reported to the Minister of Transport, and he told them to go full speed ahead in Quebec city as well.

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PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—METHOD OF EXTENDING INVITATION TO RE-OPEN NEGOTIATIONS—GOVERNMENT POSITION ON COMPATIBILITY WITH OUTSIDE TRADES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct my question to the President of the Treasury Board, who had left the chamber but has now returned. As the minister indicated two or three times since last Thursday, both inside and outside the House, that he had extended invitations to the Public Service Alliance and the General Labour and Trades Group to return to the bargaining table, and as the President of the Public Service Alliance this morning sharply denied ever receiving an offer or invitation to return to the bargaining table, may I ask the minister how his offer or invitation was extended and on what basis he feels now that talks might prove useful and productive. Has the government now reconciled its position vis-à-vis compatibility of outside trades with that position being held by the Public Service Alliance?

● (1500)

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, following Mr. O'Connor's departure, my conciliators asked to meet with the bargaining agents of the alliance. They met once. They proposed the bargaining agents meet daily, but the alliance stated it was unwilling to meet every day. My negotiators indicated their willingness to meet any day with the bargaining agents.

We have not heard from them since. However, to date, we have proposed to meet every day with its agents. As I explained on a number of occasions in the House, I feel that if we want to compare maintenance employees in the private sector with those in the federal government, we will eventually reach an agreement. However, if we compare our maintenance employees with workers on construction sites, the difference may be quite extensive. And yet, I must advise the House that as far as annual income is concerned, maintenance employees with the federal government are averaging more than employees on construction sites.

[*English*]

Mr. Forrestall: Do I understand from the President of the Treasury Board he has now instructed Treasury Board negotiators to adopt that particular attitude with regard to any further talks between Treasury Board and the Public Service Alliance in connection with the present strike?

[*Translation*]

Mr. Chrétien: Mr. Speaker, our attitude has not changed; we are still willing to find a reasonable solution to the conflict.

* * *

[*English*]

GRAIN

CONTINGENCY PLANS TO ENSURE EXPORT MOVEMENT IN VIEW OF PUBLIC SERVICE STRIKE

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the Acting Prime Minister. On Wednesday, February 26, in reply to a question asked by the hon. member for Marquette, the minister responsible for the Canadian Wheat Board said in connection with the tie-up of grain at the west coast that a number of plans are being looked at, both in connection with the immediate period and also in connection with an attempt to catch up as quickly as possible. Can the Acting Prime Minister inform the House what these plans are and whether they have been discussed in cabinet so that there may be an end to the complete tie-up of grain facilities at the port of Vancouver?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I can assure the hon. member and the House that the government is very, very concerned about the tie-up. We have been having discussions with respect to the negotiations that Treasury Board is conducting and we have been looking at the position of private groups that are also being struck. These discussions are going on. There is no simple answer. We do not think it would be advisable at this time to have parliament enact legislation because we believe in the collective bargaining process and would like it to work if it can.

Mr. Murta: I would just tell the Acting Prime Minister that I basically agree with his sentiments. However, does he not feel at this time that the situation is so serious in the whole grain movement that something has to be done now rather than let the situation continue for what could be a fairly lengthy period of time?

Mr. Sharp: Mr. Speaker, I thank the hon. member for expressing his concern. It is one that we share.

* * *

[*Translation*]

NATIONAL SECURITY

ALLEGED ACTIVITIES OF CIA IN CANADA—REQUEST FOR INQUIRY

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Solicitor General.

As a result of disclosures made by former CIA agent Philip Agee in his book *Inside the CIA*, has the minister received representations from the Police Reform Commission requesting that CIA activities be banned in Canada and that its agents be deported until the United States senatorial commission has completed its inquiry?

[Mr. Forrestall.]

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the CIA does not operate in Canada. The book in question has been read by members of the RCMP and my staff. It contains many allegations that are not correct.

[*Translation*]

Mr. Allard: Mr. Speaker, I should like to put a supplementary question.

As the CIA is being accused of spying and activism in South America, would the minister be willing to recommand an inquiry to determine whether it is carrying out similar activities in Canada?

[*English*]

Mr. Allmand: Mr. Speaker, we are continually on guard against any kind of espionage work in Canada.

* * *

IMMIGRATION

REFUGEES FROM FORMER PORTUGUESE AFRICAN COLONIES—SUGGESTED ADMISSION TO CANADA—GOVERNMENT POSITION

Mr. Peter Stollery (Spadina): My question is to the Minister of Manpower and Immigration. In view of the uncertain conditions in former Portuguese African colonies with refugee conditions developing and the resulting exodus of people, many of them with relatives in Canada, as well as the fact that Portugal faces severe economic and political problems, and absorbing these large numbers of people will only make them worse, have the minister and his department taken any steps towards accepting numbers of these refugees into Canada to meet this potential and developing emergency?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have had no formal information or representations on this matter, but being aware of the general situation and following the hon. member's information as presented in his question, I will certainly look into it. If there are circumstances meriting refugee or oppressed minority consideration, certainly we will be very glad to give every possible consideration to it.

* * *

LABOUR RELATIONS

STRIKE AT VANCOUVER HARBOUR—SUGGESTED APPOINTMENT OF WESTERN CONCILIATOR

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Acting Minister of Labour on an urgent and pressing matter. In view of the impasse on the west coast, and it is now accepted as an impasse by both sides in the dispute, will the acting minister immediately contact both sides and ask if they are willing to accept a conciliator or arbitrator at this particular time?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have discussed this matter this morning with the deputy minister of labour. Within the Department of Labour, close consideration is now being given to the question and a decision will be taken in the next few hours.

[*English*]

Mr. Hamilton (Qu'Appelle-Moose Mountain): In view of the urgency of the situation and the willingness to negotiate which I think has been evident on the west coast for the past few hours, and in view of the tremendous importance of this whole question of moving food, will the minister in proposing and discussing with the partners to this quarrel push the idea of a western conciliator who already knows the problem rather than an eastern conciliator who will take two or three months to find out about it?

[*Translation*]

Mr. Ouellet: Mr. Speaker, it would be better for the parties themselves to put forward their viewpoints rather than have the hon. member do it for them in the House. If the view expressed by the hon. member is really in accordance with the parties' intentions, I assume it would be much more easy to intervene.

* * *

[*English*]

INDIAN AFFAIRS

LAND CLAIMS OF YUKON INDIANS—REASON FOR CANCELLATION OF ANNOUNCEMENT OF AGREEMENT

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the fact the minister is reported to have cancelled a radio broadcast 45 minutes before it was scheduled to take place in which he was reported to be planning to announce a $50 million plus land claims settlement to Yukon Indians and in view of the fact that land claims negotiations are, by agreement, supposed to be secret, can the minister advise the House why he planned to make the announcement, why he cancelled it at the last minute and whether cancellation of the broadcast will, in fact, mean cancellation of the terms of the proposed settlement?

● (1510)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): We have been engaged in discussions with the Council of Yukon Indians concerning this proposal since last November. It was our understanding that they were in agreement with the steps we were taking. When I arrived in Whitehorse on Friday, or on Saturday morning, they expressed some concern. After considerable discussion we agreed that the particular proposal would not be put over Anik which is what the hon. member is referring to. However, we did put it forward in the form of a working paper to be presented over television in Whitehorse and over radio throughout the Yukon yesterday afternoon.

Mr. Holmes: Is the minister aware that one of the chief complaints registered by the native people in their dealings with the federal government concerns a consistent lack of consultation and co-operation? Can he advise the House of the reasons for the confusion in this instance?

Mr. Buchanan: I am aware that this is a complaint which is frequently made. In this case, a series of meetings had been held and we felt there had been a meeting of minds. The meeting on Saturday morning showed this was not the case. That was the reason for the change.

Mr. Lawrence: I rise, Mr. Speaker, on a serious point of order. Some of us on this side of the House have been placed at a distinct disadvantage through not knowing at the beginning of the question period, especially when so many ministers of the Crown are away for various reasons, whether there is an acting minister in the House and, if so, who that acting minister is. Is there any way in which, through your good offices, we could be apprized in advance of the question period, as to the identity of the acting ministers for the day?

Mr. Speaker: This is not necessarily something which the Chair could better facilitate than a co-operative discussion between the House leaders who might very well be able to arrange for the passage of this information on a daily basis.

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HOUSE OF COMMONS

BIRTHDAY CONGRATULATIONS TO MR. SPEAKER

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I rise on a point of order to bring to the attention of the House the importance of this day, March 4. It was on this day that a most distinguished Canadian was born, one who has brought great distinction to the City of Sudbury, to northern Ontario, to Canada and to this House, namely yourself, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Foster: I know that all members of the House will wish to join me in extending good wishes to you for a most happy birthday.

Some hon. Members: Hear, hear!

Mr. Speaker: I am most grateful. That was not only a welcome intervention but a welcome change of pace.

Broadcasting

GOVERNMENT ORDERS

[*Translation*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO ESTABLISH COMMISSION

Hon. Gérard Pelletier (Minister of Communications) moved that Bill C-5, to establish the Canadian Radio-television and Telecommunications Commission, to amend the Broadcasting Act and other acts in consequence thereof and to enact other consequential provisions, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

He said: Mr. Speaker, it is my pleasure to introduce for consideration by hon. members a bill establishing the Canadian Radio-television and Telecommunications Commission.

The regulation of communications at the federal level is carried out, at the present time, by two separate agencies: The Canadian Radio-Television Commission as regards Broadcasting including cable Television and the Telecommunication Committee of the Canadian Transport Commission as regards telephone and telegraph carriers. Hon. members of this House probably know that the principal telephone and telegraph carriers now under the jurisdiction of the Parliament of Canada and, consequently, of the CTC, are: Bell Canada, which operates its telephone network in the provinces of Ontario and Quebec, and in parts of the Northwest Territories. The corporation has, moreover, been declared to be a "work for the general advantage of Canada", as they say in proper legal jargon.

British Columbia Telephone Limited which also has been declared to be a work for the general advantage of Canada, and, finally, CN-CP Telecommunications, which operate a public telegraph network throughout Canada and which, in competition with other telephone companies, offer various types of private services. They have also installed a microwave long distance network parallel to the network of the Trans-Canada Telephone System.

Hon. members are also aware that since 1968 the Canadian Radio-television Commission has been responsible for issuing the licences for the operation of Broadcasting stations, whether they are privately owned or are part of the Canadian Broadcasting Corporation networks. The commission, consisting of five full time members and ten part time members, is more particularly responsible for the implementation of the broadcasting policy for Canada enunciated in section 3 of the Broadcasting Act. It has to take the necessary steps to ensure that broadcasting should serve to safe-guarding and enriching Canadian culture in all its aspects. Another objective of the commission is to provide, by means of broadcasting, transmitting and receiving stations, high quality service in both official languages. This government is determined to uphold the broadcasting policy approved by Parliament in 1968 and will continue to support all the efforts of the regulatory agency and others concerned with the implementation of that policy.

The essential purpose of this bill is to entrust the regulation of all federally-regulated telecommunications to a single agency to be known in future as the Canadian Radio-television and Telecommunications Commission—thus retaining the acronym CRTC—to emphasize the significance which this government sees in both aspects of telecommunications, namely broadcasting an transmission. The integration of the different modes of telecommunication, whether they are telephone, broadcasting, coaxial cable or microwave, becomes more and more complete every day. The advent of cable television, with its still undeveloped two-way potential, has made it imperative to entrust the different aspects of telecommunications to a single regulatory agency in order to ensure the harmonious development of these new techniques, in a manner compatible with the best interests of Canadian citizens.

This bill is but the first step towards the modernization of the federal statutes relating to telecommunications. In the near future, the government intends to submit to Parliament the second phase of this Legislative project. This will entail an in-depth revision of the provisions of the Railway Act applying to telephone and telegraph, of the Telegraphs Act, of the Radio Act, and of the Broadcasting Act. The Acts incorporating the Canadian Overseas Telecommunications Corporation and Telesat Act will also be amended.

Before introducing this second bill to Parliament, the government wishes to ascertain the views of the provincial Governments on the most effective methods of regulating telecommunications. By so doing, we hope, Mr. Speaker, to obtain a better understanding of the various factors and elements to be taken into account in drafting our second stage of legislation. The positions of the federal government have already been published in a green paper intitled "Proposals for a Telecommunications Policy for Canada", which was tabled in the House of Commons in April 1973. This exchange of views with the provinces becomes all the more necessary in the light of the present division of responsibilities in the field of telecommunications; Parliament has exclusive legislative authority over radiocommunications, including broadcasting which television in turn includes cable, while the provincial legislatures control local telephone or telegraph indertakings, the great majority of which have not been declared to be "works" for the general advantage of Canada. It is therefore desirable, perhaps even essential, to achieve as soon as possible a better coordination of governmental efforts in this regard and of the initiatives of the several regulatory agencies in order to provide all Canadians in all parts of the country with the telecommunications and broadcasting services they have a right to expect.

In November 1973, a conference of ministers responsible for communications was held in Ottawa. At that time, I informed the provincial ministers of our intention to introduce the present bill merging the two federal agencies directly responsible for regulating telecommunications, without in any way changing existing powers over the undertakings respectively subject to their authority. The commission will continue, until after the enactment of the second legislative measure, to exercise the present powers of the CRTC over broadcasting undertakings. The new commission will also apply the provisions of the Railway Act and the National Transportation Act to the telephone and telegraph companies. With regard to regula-

tory principles and procedures, this merger will obviously lead to better coordination and greater unity of thought.

The Canadian Radio-television and Telecommunications Commission will consist of a maximum of nine full time members and ten part time members. The existing CRTC comprises five full time members and ten part time members. The increased responsibilities of the new commission account for the proposed appointment of four additional full time members to help the commission in adequately fulfilling its mandate. When the act is put into force, all the members of the CRTC will become members of the new commission until their respective terms of office expire.

● (1520)

[*English*]

The bill also provides for the transfer to the new commission, when the act is put into force, of matters that are presently dealt with by the CRTC, with the exception of those matters that may already be the subject of a hearing or of an inquiry at that time which will be decided by the present commission and the CTC. The governor in council will nonetheless be authorized to depart from this rule if it is unrealistic to defer unduly the assumption by the commission of certain matters that may be the subject of a hearing or of an inquiry. In these cases, steps will be taken to protect the rights of the parties concerned and of the general public.

This act will be put into force by proclamation. The delay between the enactment of this legislation and its implementation will enable the government to set up the administrative structures required to ensure the smooth running of the Canadian Radio-television and Telecommunications Commission. This act will permit better coordination of telecommunications regulatory policy at the federal level. This rearrangement of administrative structures, as I have already mentioned, is only the first manifestation of our desire to integrate the various components of telecommunication in the best interests of all Canadians. The government is convinced that it will enable the members of the new commission to work in a more adequate and sustained way toward the supervision of the national broadcasting and telecommunication networks.

Mr. Jim Balfour (Regina East): Mr. Speaker, the principle of the legislation before the House, in so far as it constitutes an attempt to consolidate under the Minister of Communications (Mr. Pelletier), a single federal regulatory agency covering the whole field of telecommunications and the exercise of authority over both the CBC and the operations of the federally-regulated telecommunications carriers, is correct. A detailed analysis of the legislation exposes weaknesses and anomalies which, however, it would be more appropriate to discuss in committee. We intend to do this at the appropriate time and in the appropriate manner, and we hope we will be able to put forth constructive amendments for the minister's consideration and, I trust, acceptance and implementation.

I propose, today, to discuss in a more general way my party's view of Canadian communications policy generally, to indicate the particular areas where wrong policy directions have in our view been taken, and to direct the attention of the minister and the House to policy failures which, if allowed to continue uncorrected, will create very serious problems for Canadians generally. Perhaps the most serious general criticism that can be levelled at this government is its apparent unwillingness and failure to enter into meaningful negotiations with its provincial counterparts in connection with the jurisdictional jungle that over the years has developed in relation to communications matters.

Our party believes that the time has long since passed when a national communications policy should be set in place. We believe that such a national communications policy should have certain specific objectives, including that of protecting and promoting the political, social and economic fibre of Canada. It should contribute to the flow and exchange of regional and cultural information and the development of national unity. It should reflect Canadian identity and, as well, the diversity of Canadian culture and social values. And, generally, it should facilitate the orderly development of telecommunications in Canada, for Canadians, and the provision of efficient and economical systems and services to all Canadians at rates which are just and reasonable.

Clearly, a first and fundamental step in putting in place such a policy would be to resolve with the provinces the competing and conflicting jurisdictional claims between broadcasters, cable operators, common carriers and governments themselves. We should recognize, without equivocation, that the constitutional straitjacket imposed on telecommunications at the time of confederation, rigidly and jealously exercised by successive federal governments, is no longer an appropriate answer in this era of technological change. Instead, the federal government should define the national interest in telecommunications with the sense of urgency, imagination and initiative which the matter deserves.

With this objective in mind, we would propose that certain specific steps be taken, namely, consolidating under the Minister of Communications the present eight different federal statutes relating to telecommunications; the establishment of one federal authority to regulate standards for systems and equipment; federal recognition that the provinces should participate in the regulation of telecommunications through a Canadian communications commission composed of federal and provincial nominees to replace and carry out the duties proposed to be carried out by the commission established by the legislation before us, and with corresponding technical subcommittees for the industrial components falling under its jurisdiction. It would, and should be, a cornerstone of federal communications policy that the federal government recognize the paramountcy of provincial communications systems in place and put an end to the jurisdictional wrangling in existence or in process which at this point in time characterizes the communications mess presently gripping our country.

● (1530)

In order to stimulate research, long-range and coordinated planning and to publicly review the work and activities of the Canadian communications commission, we believe the government should establish a communications council with a permanent secretariat founded by, but

independent of, the government with a mandate to report at least once a year to the people of Canada on the state and scope of telecommunications in this country.

That, very briefly, puts before the House a communications policy in specific terms as an alternative to the present chaotic situation characterized by green papers, white papers and piecemeal legislation and jurisdictional struggles which can only further exacerbate the sense of regional alienation and chronic confrontation which seems to characterize federal-provincial relations under this government.

The specific, fundamental, unanswered question in communications policy in this country is simply this: what role does the federal government see provincial governments playing in the communications field?

Has the province of Saskatchewan negotiated a special arrangement for the operation of cable television within its borders? If so, what are the terms of the arrangement, and are similar arrangements being negotiated with other provinces which may desire them? There is little to be lost, and perhaps everything to be gained, in the development of a broadcasting and, in particular, cable regulatory framework in which provinces have a legitimate role. The participation of provincial Crown corporations or agents in the field of broadcasting and cable origination, transmission of programs and programming within over-all guidelines established by the federal government, could be of great advantage. Such a policy approach permits provinces to participate in the control of what to many is an important or vital aspect of their culture and way of life.

This concern by provincial governments across the country from the viewpoint of mass media represents a legitimate concern for responsible diversity. As with other mass media ownership, it would be perhaps unwise to concentrate ownership or program control in any one set of hands. Nevertheless, within an appropriate framework established in the interests of each and all, provincial partnership and participation in this field should be welcome.

There can be little doubt, either, that it would be desirable to openly modify present government policy and permit, if not encourage, educational institutions and agents of Her Majesty in right of any province, not excluding municipal or other public bodies, to participate appropriately in broadcasting and programming endeavours. This should be within co-ordinating federal regulations establishing minimum requirements, providing also that the broadcast licensee shall be free of direct political control.

The bill we have before us may appear routine and purely functional, but I believe that a certain degree of policy formulation lies beneath the surface. The Minister of Communications has attempted in the past to pass off the intent of the bill and to allay the fears of provincial ministers of communications. He portrays it as the merging of two regulating bodies, an internal reshuffle of regulatory agencies of the federal government that brings no change whatsoever to the respective authorities nor to the administrative dispositions between the provinces and the federal government as regards the regulation of telecommunications. Yet the minister knows that this is not altogether an accurate portrayal of the facts.

[Mr. Balfour.]

The provincial ministers have, in fact, been making representations to the federal Minister of Communications seeking some kind of resolution to the long-standing struggle over communications jurisdiction. The bill before us, I point out, is another step toward solidifying the federal government's position vis-à-vis the provinces without their consent or consultation. The provincial ministers' conference in Quebec City in 1972 resulted in the federal government being accused of duplicating provincial telecommunications systems in licensing the CN-CP telecommunications' network. The provinces' communications ministers' conference in 1973 pleaded with Ottawa to stay out of provincial areas of jurisdiction. The provinces reacted to the federal green paper on communications released in 1974 by reiterating that in their view the regulation of telephone rates was a matter solely within provincial jurisdiction.

The minister admits openly that the number of court proceedings is increasing in which federal-provincial communications jurisdiction is the basic issue. Amid this turmoil, the minister simply hides behind that old line of defence, the constitution. "Conflicts of jurisdiction are not the business of federal-provincial ministers' conferences. That comes under the jurisdiction of a constitutional conference or the courts"—that is what the minister said. Why then, I might ask, would the minister choose to buttress his stand against the provinces by unilaterally increasing the ambit of the CRTC while there are existing provincial administrations for dealing with some of the problems in which the federal government has become involved? Why will the minister not consent to further federal-provincial conferences on the matter?

Federal and provincial interests in telecommunications can, and should be, complementary rather than conflicting, and afford ample opportunity for constructive co-operation by all levels of government in Canada. Given the great ambiguity in the determination of jurisdiction for communications and cable TV, it is entirely reasonable for provinces to seek to play an effective role in this sector. The provinces have very real interests and concerns relating to their exclusive powers. Given the present rigidity of the government, and given also the June 4, 1970, government directive to the CRTC to exclude provinces or their agents, it is not surprising that a federal-provincial confrontation is shaping up. Flexibility and reasonableness, combined with a willingness to participate in meaningful federal-provincial discussions, are required.

For the future, as in the present, the importance of telecommunications to the provinces and the federal government requires co-operation and good will. Not satisfactory are back-door responses in contradiction to the federal government's own directive, for example the CRTC allowing the Quebec Deposit and Investment Fund, a provincial Crown agent, to become a major shareholder in a cable TV company. Provincial participation is perhaps desirable, but the federal government should admit it for what it is.

The future course of this vital telecommunications and communications sector should be founded on the decisions of reasonable men working together, whether they be at the federal or provincial level, and the conclusions and

agreements arrived at by this process should be openly and publicly implemented.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the advent in recent years of satellites and computers has led to a revolution in the whole field of communications. That revolution has had very serious effects in this country, to a large extent because of the divided jurisdiction between the federal and provincial governments. This has made it increasingly difficult to know precisely who has not only the right but the responsibility for determining what communications policy will be and what charges we will make for different methods of communication.

Similarly, the advent of cable television has created a great deal of contention and division of opinion between the federal government, which claims to have the right to regulate radio and television, and the provinces which, because of their concern with educational matters, feel they must have a great deal of say—not the whole say—about the form of transmission of information which can, and probably will be—if it is not already—one of the most important methods of getting education to the people in all age groups. For this reason there is now, and has been for some time—as the hon. member for Regina East (Mr. Balfour) has already said—a great deal of conflict between the provinces and the federal government about where, in fact, rests the right to regulate. My colleague the hon. member for Sault Ste. Marie (Mr. Symes) will deal with that question.

I want to deal with one of the main tasks which, if I understood the minister correctly, has been the responsibility of the Canadian Transport Commission—and, much earlier, the responsibility of the Board of Transport Commissioners—but which will, if we pass this measure, become the responsibility of the CRTC in its new form. To the extent that the responsibility for setting telephone rates is taken from the present Canadian Transport Commission and given to the CRTC, we in this party will support that proposal because the fact is—and I want to take a few minutes to place some examples on the record—that the record of the CTC has been one of complete failure. It has never, so far as I can find out, turned down a single application made to it by Bell Canada for permission to increase rates. On the other hand, the CRTC has been an active, aggressive, socially conscious organization which has in the field, so far as it has responsibility, done a good deal of research into the basic problems, has consulted with the public, has engaged in dialogue with the public and with interested organizations and has tried to chart a policy which would be of benefit to the people as a whole. This does not mean I agree with every decision made by the CRTC, but at least it has seemed to take its responsibility seriously. To that extent we can support the change the minister is proposing.

● (1540)

Having said that, I want to remind the minister of a judgment of Mr. Justice William Douglas of the United States Supreme Court, as set out in his autobiography, in which he discusses his experience as chairman of the United States Securities and Exchange Commission during the middle thirties. He makes the suggestion that no regulatory agency should be permitted to exist for more than ten years, because after ten years the agency which has been established to regulate and monitor the companies and corporations in the field for which it has been given responsibility inevitably finds that it becomes the servant of those companies and corporations rather than the regulatory agency or the master which tells them what to do. I think this happens almost inevitably in respect of every regulatory agency which has been established not only in Canada but in every other country.

I wish to take a few moments to place on the record what has happened in respect of the supposed regulation of telephone rates in the area in which the federal government has responsibility—Ontario and Quebec. If one examines the record of the Canadian Transport Commission, one finds that in every case over the years in which Bell Canada has asked for a rate increase, that rate increase has been granted. In every case where Bell Canada received an increase and the board took the time and trouble not merely to grant the increase but to indicate what it believed would be a fair rate of return for Bell Canada, we find that when the company came back one year, two years or three years later to ask for another increase, in fact the rate of return the company had received was not the rate of return the regulatory agency had said it should have, but was more than that. But despite that, the principle laid down by the regulatory agency was overlooked by the agency and a further increase was granted.

If one looks at the record from 1958 to the middle 1960s, one sees that Bell Canada consistently exceeded the level of earnings established by the old Board of Transport Commissioners. The excess profits of Bell Canada, which I suggest were illegal and in violation of the board's own rulings, amounted to about $37 million. In 1964 the board conducted a further investigation of the pricing procedures of Bell Canada, but rather than directing its attention to the excessive profit level, the board concerned itself merely with the application by Bell to change its permissible level of profits in order to justify a rate increase.

In 1966 the board raised the permissible level of Bell Canada's earnings to fall within the range of between 6.2 per cent and 6.6 per cent of the total average capitalization. A year later Bell came back for another increase. It was then found that the rate of return had not remained in the 6.2 per cent to 6.6 per cent range which the board had authorized, but in fact had reached 6.8 per cent. In 1968 it was up to 6.9 per cent. The board, however, gave Bell another increase. Having been encouraged by the CTC's lack of resolve in the face of pressure, Bell Canada came back in 1969 to ask for a new profit level of 8 per cent to 9 per cent return on total capital. On that occasion the board avoided its responsibility and refused to fix any permissible level. The result was that Bell increased its net earnings by almost $12½ million in 1969 over 1968. By this time it had been able to earn a return on equity of 7.3 per cent.

The 1969 judgment was delivered in September, and in June of 1970 Bell Canada was back with a further application to the CTC for a revised rate structure designed to increase its revenue by $30 million. The company obtained another increase. In 1971 Bell Canada was back again, despite the increase in 1970. This time it wished an

increase that would permit it to have a return of not less than 8.2 per cent, ranging up to 9 per cent, on capital. The CTC disagreed and limited the additional revenue to $47.2 million, which it estimated would give a return on total average capital of 7.8 per cent and 9.5 per cent on common equity. That was in 1971. In 1972 Bell Canada was back again asking for a very sharp increase. The CTC agreed to that. They never once turned down an application for a rate increase. They never once said to Bell Telephone, "We gave you an increase; you exceeded the profitability level which we set and we are not going to give you another increase." They never once took the step which United States regulatory agencies have taken in the past and said, in effect, "You have already exceeded the profitability level for which you asked and which we allowed, so for the month of September", or whatever the month may be, "you should not charge your customers anything; you should give them a free month because you have already exceeded the rate which we allowed".

● (1550)

But, of course, the Canadian regulatory agency could not do that: that would be too much in the interest of the consumer, and the last person the CTC thinks about is the Canadian consumer.

So Bell Canada asked for an increase in 1972. Unfortunately for them, in 1972 this country had a minority government. The government of the day knew that if it permitted an increase in rates to Bell Canada, it—the government—might not survive. So for the first and only time the government suspended the rate increase which had been asked for by Bell Canada and approved by CTC. The government said it was suspending a telephone rate increase for Bell Canada partly to ensure that at least basic communications services were available to all Canadians, wherever they lived, at just and reasonable rates. That was in a period when we had a minority government, in 1973. But by 1974 the election was over, we no longer had a minority government and the government did not have to worry about it. Therefore, the government permitted an increase in the way it had always permitted increases in the past, despite the recommendations of a number of organizations and with no intervention from the regulatory agency.

Recommendations were made to the minister by a number of organizations which were concerned about the effect of the increases on consumers. I have before me some of the submissions which were made to the minister. An organization called Action Bell Canada made a submission to the minister in which they pointed out the contradictions and inadequacies in the CTC decision. I want to put on record some of the arguments which they put forward—arguments, incidentally, which were completely ignored and never reviewed by the government when it permitted Bell Canada the increase for which it had asked. Action Bell Canada said, among other things:

> The CTC has given Bell Canada millions of dollars by almost totally accepting Bell's arguments for amended Application B. This has been done without Bell Canada even presenting its total profit picture to the commission or the CTC really knowing exactly how much it is giving away. Indeed, Bell Canada's chairman indicated in the hearing that this company may be back shortly for more money from the CTC.

[Mr. Orlikow.]

I am reasonably certain that before 1975 is over, Bell Canada will be back. After all, why should they miss this year when they have not missed a year in the last ten? Action Bell Canada said, further:

> The amended Application B decision continually shows CTC's disenchantment with the token public participation methods it grudgingly adopted. CTC hits out at those new intervenors who misunderstand CTC regulation protocol and who the CTC labels as social impact intervenors. Instead of direct input from consumer groups in reforming its procedures, the CTC opts for an independent legal counsel to represent the public interest. The commission also proposes that Bell Canada's internal customer studies underway, along with future government studies on the social responsiveness of telephone service, will go a long way towards eliminating frustrations among Bell customers.

One of the things which is obvious to anyone who makes the most cursory examination of Bell's applications and interventions is that consumers and their organizations are virtually powerless to make a real presentation because Bell's organization is so large and its system so complicated that the costs of really studying it are so great that none of the organizations which have shown interest are able financially, or in terms of personnel, to do the job required. The fact is that in the most recent application which was approved, the Consumers' Association of Canada refused to make a real submission, not because they did not want to, not because they did not think that the rate increase being asked for by Bell was unjustified but simply because they did not have the money required. They calculated that it would cost at least $20,000 just to get a lawyer to represent them. What it would have cost to get engineering and accounting technical advice which they would have required, I certainly do not know, but we are probably talking in terms of $100,000 or more. The Consumers' Association of Canada simply did not have that kind of money.

The CTC said, "Because organizations cannot come forward with real technical briefs, because they just argue on the basis of social impact, and so on, we are not really very interested in their submissions because they have nothing really worth-while to contribute to the hearings". Instead of the CTC doing the job itself, or ensuring that the government would supply the technical know-how to interested organizations, the CTC said, in effect, that they were not able to do the job themselves and they did not really want to hear from these organizations in the future. Having said that, the CTC itself got into social impact rulings. Action Bell Canada said, further:

> It would allow 10 cent pay-phones at sidewalk locations but not at citizen group locations and exemptions to directory assistance charges to those 65 and over only if they come to Bell and make such a request. The commission can accept Bell arguments for reduced rates for large customers having the Telpak service while not accepting intervenors' requests for the abolition of security deposits that mainly affect the poor.

It is a long-standing complaint on the part of subscribers in Ontario and Quebec that they are required to put down a security deposit—I cannot at the moment remember whether it is $25 or $35—but it is money which stays with Bell Canada and which they use interest-free for their own purposes. Action Bell Canada continues:

> CTC sees nothing wrong with semi-automatic price increases through upgroupings in the larger centres of Toronto and Montreal this year at an additional 60 cents a month per subscriber, yet it is willing to take a temporary stand on the abolition of the rate classification for the smallest telephone exchanges.

I could speak at length on the representations which were made to the minister, but let me conclude by saying that the minister simply ignored those representations and allowed the rate increase requested by Bell Canada.

● (1600)

Mr. Speaker, I have already said that in our view, giving the job of regulating rates to the CRTC and taking it away from the CTC cannot be anything but an improvement. There is certainly no agency in existence, or contemplated, which could do a worse job than the CTC or the Board of Transport Commissioners before it. Having said that, it seems to me that if parliament does not first ask itself what the objectives are which we set in the provision of telephone service, we tie the hands of the agency which is supposed to regulate the rates, so that we cannot do a job—because if it is our intention to provide telephone service to all Canadian citizens who want that service, there is one approach, namely, that we tell the regulatory agency what the objective is and then try to implement that objective. We believe that should be the objective.

Just as we now say that every person is entitled to adequate housing, education and health standards, we say that in this modern age every person should be provided with telephone service. If that is said, the question is approached from one point of view. If, on the other hand, we say—as we seem to be saying in the way in which people are provided with telephones in parts of Ontario, Quebec and the territories—that in the providing of telephone service an important aspect shall be that the private investors shall make a reasonable profit, whatever that may be, then of course the provision of service is an entirely different matter. We believe that once that is done—that is what we have done in Ontario and Quebec for many years and it is what this government obviously expects to continue—the job of the regulatory agency is an entirely different matter and becomes extremely difficult and complex to carry out.

What are the needs of the people? How many people do not have telephones? Why do they not have telephones? What is the proper rate of return that the company which provides the telephones should receive? All these are questions which the new agency will have to deal with. I suggest it is not enough to say that the agency will be given the responsibility of regulating telephone rates. We have to ask ourselves not just the policy questions which this government obviously has not even thought about—and which I have asked—but also if we have provided the old regulatory agency, the CTC, with the staff to really examine the costs of Bell Canada so that they can set a fair rate. We must also ask ourselves whether we will provide sufficient staff for the new regulatory agency, the expanded CRTC, to do the job. If one looks at the job which the CTC has done, whether it is on the question of railway freight rates, air rates, or telephones, it becomes obvious that the CTC has never had the necessary staff to really set, in any kind of realistic framework, the rates for any of these commodities or services.

We have been told that the number of employees the CTC has to work on telephone rates is not more than three people. I suggest that if that is true, it must be impossible for the CTC to do the job adequately and it will be just as impossible for the new CRTC. We want when this bill goes to committee, to be able to call witnesses representing consumer groups in order to find out what their experience has been when increases in telephone rates have been requested by Bell Telephone. We would like to call the CTC in order to find out whether it has had adequate staff in terms of numbers, experience and training and what kind of information it has been able to get from Bell Canada over the years; whether it has been able to get the information required in order to arrive at fair judgments as to what telephone rates should be each time an application for an increase has been made.

The CTC, in dealing with the last application for an increase, expressed the view that a rate adjustment formula should be adopted which would index the rates of Bell to various cost factors and therefore preclude hearings on rate increase requests from Bell which have been so frequent in recent years. The board seemed to feel that it wanted a formula which would guarantee the rate of profit for Bell. We oppose this kind of proposal and we would like to know whether the government endorsed this proposal of the Canadian Transport Commission.

If we are going to move toward the principle of a guaranteed annual income, we do not believe that the place to start is Bell Canada. Many people in this country—probably 25 per cent—are now living in a state of poverty, as calculated by the Economic Council or by the Senate committee which studied the question of poverty. I do not know whether the minister is still interested in the plight of ordinary people, but at the time of the asbestos workers' strike he showed a great deal of interest in the ordinary people. I hope he will continue to show this interest.

If we are to begin a guaranteed annual income program by guaranteeing the income of certain groups of people, let us begin with poor people and not with the shareholders of Bell Canada. In approving the last rate increase, the government said it would monitor the performance of Bell Canada, and that if Bell's profits exceeded an acceptable rate of return—which the government set at from 8.6 per cent to 9.1 per cent, which was itself up from an earlier 8.2 per cent and a maximum on a rate on economic equity of 12 per cent from an earlier 10.4 per cent—it would monitor the effect of the increases on the public.

When we get to committee, we in the NDP would like to know whether the government in fact has monitored Bell's performance since it permitted those increases. The minister nods his head to indicate that it has. The consumers of this country who have to deal with Bell Canada are not entirely satisfied with this government and with the mere nodding of the minister's head that it has monitored Bell. They would like to know the result of that monitoring. They would like to know how much profit Bell Canada has made in the last few years, because as sure as I am standing here today, Bell will be asking for another increase in the very near future.

● (1610)

I would be remiss in my duty if I did not take this opportunity to point out that the people of Ontario and Quebec will not have telephone service at fair and reasonable rates while Bell Canada remains a private company. Fair and reasonable rates cannot be achieved by monitor-

ing; they can only be achieved for the people of Ontario and Quebec by bringing telephone systems under public ownership instead of allowing them to remain under private ownership as is the case with Bell Canada. I do not make this point in any spirit of doctrinaire narrowness. I do not make it necessarily because I believe in the theory of public ownership. I make it because the record in Canada shows that publicly-owned telephone systems provide competent and efficient service at lower rates than those charged by Bell Canada.

Long before the NDP existed as a political party, long before the CCF was a political party and long before any party espoused the principle of public ownership of basic services, the people of the three prairie provinces, Alberta, Saskatchewan and Manitoba, enjoyed the benefits of publicly-owned telephone systems. In Manitoba, the publicly-owned telephone system was established some time between 1905 and 1910. It was established by the Conservative government headed by Sir Robert Roblin, the grandfather of the later Conservative premier, Duff Roblin. These publicly-owned systems are alive and well in the three prairie provinces. They provide modern and efficient service for the people of the provinces.

Let us do what the CTC consistently refuses to do, compare rates in the prairie provinces with rates in Ontario and Quebec. Let us compare the rates for villages, towns and cities. In every case we shall find that publicly-owned systems provide services at costs substantially below the costs of the services provided by Bell Canada in Ontario and Quebec. I shall put a few examples on record to let the minister know that what I am saying is correct. First, let us consider rates for exchanges governing between 2,000 and 5,000 stations. The residential rate, per month, at Drumheller, Alberta, is $3.65; at Melville, Saskatchewan, $3.36; at Thompson, Manitoba, $3.20; at Atikokan, Ontario, $4.46; and at Baie St.-Paul, Quebec, $4.59.

Let us consider rates in larger towns where exchanges govern between 10,000 and 20,000 stations. The rate at Clairmont, Alberta, is $4. That is the residential rate. The rate at Moose Jaw, Saskatchewan, is $3.89; at Brandon, Manitoba, $3.62; at Port Hope, Ontario, $5.04; and at Chapeau, Quebec, $5.18. These are all monthly rates. Let us consider towns over with 100,000 stations. The monthly rate in Calgary is $4.25; in Winnipeg, Manitoba, $4.10; in Burlington, Ontario, $6.09; and in Quebec City, $6.37.

The figures quoted speak for themselves and show what happens when telephone service is owned publicly or privately. If the minister is interested in the well-being of the people of his province and of Ontario, I suggest that he should consider the advisability of the government's taking over Bell Canada and operating it as a publicly-owned telephone system. This can, and should be done as a joint venture in which the two provinces concerned and the federal government participate. I have said we will support this bill and why we think it will serve to improve the regulation of telephone rates in Ontario and Quebec. I have mentioned our reservations. All the same, we have a good deal of confidence in the present members of the CTC. We are confident they will do the best job they can in regulating telephone rates. Having said that, I must repeat what I said previously, that telephone service will be cheaper and better if it is provided by a publicly-owned system.

Divisions of responsibility as between the federal government and the provinces have complicated the regulating of the various telecommunication services. We do not think the federal government should lay down policy unilaterally or establish agencies for regulating in this field without first consulting the provinces. Neither should it attempt unilaterally to police various fields of communication by establishing boards, agencies or other bodies the members of which are appointed entirely by the federal government. We think that the criticisms of all ten provinces are valid, that there should be a much greater exchange of ideas and that provincial requests for jurisdiction in this area to be fairly divided should be dealt with in a more co-operative fashion than has heretofore been evident. The hon. member for Sault Ste. Marie will speak at greater length on this subject.

In committee we intend to question witnesses actively and aggressively. Many of our questions we hope, will be answered. Then when the bill returns to this House at a later stage, we shall know more than we do now about what the government intends to do.

● (1620)

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, it is quite obvious that it is necessary to have an adequate agency to control and evaluate all communications, to the extent of and according to the aspirations of every group in this country. However, the following point of view should be taken into consideration. I think the provinces should have their say in certain areas. That is why I think every province's point of view regarding culture and education should be taken into account, as I said earlier. To that end I think that each province should have a representative on that committee, so that the latter can really coordinate the needs of everyone.

With respect to the province of Quebec, we know that a conflict of jurisdiction is now shaping up between the province and the federal government with regard to cable television. It would be deplorable if this jurisdictional matter were to drag on and deprive the whole people of the Gaspé peninsula and a large number on the Northern Shore and the Lower Northern Shore, of adequate CBC information services.

With regard to communications in general, there is no doubt that this jurisdiction should be exclusively federal.

As I said earlier, each province should have a representative in order to protect their own culture and education.

I have just talked about the conflict of jurisdiction with respect to cable television which arose following the granting of a cable permit to Mr. Dionne of Matane, which covered the cities of Rimouski, Mont-Joli part of the Matapedia valley and certain places surrounding those municipalities. Later on, Quebec granted a permit to somebody else in the Rimouski area.

It is obvious there is not room for two cables in that area because in my opinion it would be similar to a telephone line with two parallel wires. We also know that the instal-

lation of a cable is a costly proposition and there is certainly no room for two parallel cables. That would result in a poor service, and it would be necessary to have two competitors.

That is why I ask the minister to take urgent steps to enforce compliance of his decision to grant a cable permit to Mr. Dionne of Matane whose name I mentioned a few moments ago. Otherwise, he would have to see to it that CBC gets into Rimouski as soon as possible to give to every taxpayer all the services he is entitled as much as the rest of the people in this country. We could thus assure the people in my riding, the whole Gaspé Peninsula and the Northern Shore that the federal government can take its responsibilities and give to everyone according to their merits.

Mr. Speaker, I take this opportunity to urge CBC to get into Rimouski relatively soon. When I say "get into" I mean to provide for all the services offered by that Corporation.

I hope that my comments will bear fruit and that Rimouski will soon be served by a CBC station.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, on the occasion of a debate on such a bill, one can hardly resist the temptation of addressing this House, especially if one has the privilege of representing a Quebec constituency where people are always conscious of the various problems which concern the province of Quebec, as well as the Saint-Hyacinthe area.

The debate which opened this afternoon on Bill C-5 should be rather short considering the contents of the bill. At first glance, this looks like a harmless and perhaps trivial bill. Actually, this is a bill designed to create another commission made up of nine full-time members and ten part-time members and to set their salaries and fees. Such is essentially the purpose of this bill. It is obvious that the minister certainly intends to appoint as members of that commission, the most praiseworthy and qualified people, distinguished men and women who will really serve their country. He does not intend to use that new commission as a kind of haven for people who have well served the Liberal party.

● (1630)

Taking for granted the minister's good intentions that will be ascertained after the passage of the bill, it is very difficult to stay away from this debate. Besides the somewhat minor importance of the text before us, and therein lies the importance of this debate, this text has a scope, a meaning that must be analyzed and scrutinized, because we, from Quebec, are aware of the matters in dispute between the federal government and the Quebec government in respect of telecommunications and broadcasting.

A few days ago, the Quebec Minister of Communications had the opportunity to express in his own way on the CBC network, the views of his government and ask a few questions. If I am not mistaken, I hear the hon. member for Montmorency (Mr. Duclos) who seems to say that it was a Péquiste. As far as I am aware, Mr. L'Allier is still a member of the Liberal cabinet.

An hon. Member: He will be there soon.

Mr. Wagner: He will be there soon, said the hon. member. I know that the number of members in this party goes down almost every day in Quebec. But I know that Mr. L'Allier would be very pleased to hear the hon. member for Montmorency tell him publicly that his days are numbered.

I for one refuse to recognize that this debate should begin on a partisan basis. On the contrary, I think that the Quebec government whichever it may be, represents the will of Quebecers and consequently should encourage all those working in public administration at the federal level or elsewhere to recognize this fact and to respect the will expressed by the Quebec government. When this government changes, whichever party comes to power, Unionist, Progressive Conservative or Pequist, it will be the legitimate representative of the Quebec population. And it is in that context that I will discuss the Ottawa-Quebec conflict. Just look at the newspaper headlines and you will see that in the Province of Quebec this is a very sensitive matter. Here are some headlines:

> Quebec and Ottawa are not on the same wavelength. Cable Jurisdiction. The issue goes before the courts. L'Allier denounces federal rigidity and wishes to negociate with Gérard Pelletier. Gérard Pelletier makes another attempt and tells about the cultural sovereignty trap. Pelletier avoids the cultural sovereignty trap.

And there are many more headlines. And I think that *Le Devoir* even said:

> The leadership crisis. Pelletier expresses concern.

I do not know if it is the Minister or someone else who commented on the statement made by the Prime Minister himself in Montreal about Quebec, but someone said:

> It is the business of the citizens of that province. If they like their government, they keep it whether Ottawa likes it or not and if they do not like it they fight it whether Ottawa likes it or not.

Let me tell you Mr. Speaker, that the question is not whether or not a government is liked.

An hon. Member: It is a matter of politics.

Mr. Wagner: The question is whether a government serves satisfactorily or not the people who elected it. The question is whether a government represents or not the interests of the people. It is a matter of knowing whether a government has the right to make certain claims, even though those claims are made to a federal government which, on occasion, feels almighty in certain jurisdictions.

I say then, Mr. Speaker, that this bill calls for detailed consideration on our part. I was delighted a while ago, to hear my colleague from Regina East (Mr. Balfour) with the his usual level-headedness, fully explain the point of view of the official opposition through observations that deserve the congratulations of all hon. members.

Mr. Speaker, during this debate, the minister will have the opportunity of answering the questions put to him publicly by the Quebec Minister of Communications last Sunday during a television program, namely: Sometime in April, will the minister agree to another meeting of the provincial ministers and the federal representative to discuss this contentious matter? This time, will there be more than palaver? Will negotiations really start? Will some importance really be given the claims of other provinces? Needless to say, Quebec is not the only party to this

quarrel: on the contrary. Quebec feels supported by several other provinces.

Those questions will be answered before the bill is read the econd time. Let me just say that consideration of this bill establishing the Canadian Radio-television and Telecommunications Commission will give us the opportunity of finding out how the Canadian government feels about national unity. National unity has been talked about aimlessly at times and has been the subject of many speeches, but national unity should really be reflected in the actions of governments.

In the bill before us the government will have the opportunity of indicating very clearly what is its concept of national unity, how it wishes to further it and above all establish it across the country. If Canada was built, linked and united by the railways, as the eminent and congenial Minister of Transport (Mr. Marchand) said recently, paradoxically it is now divided on the matter of communications.

Since the Broadcasting Act of 1968 was adopted, no significant legislation has been enacted nor has any new commitment been undertaken, despite major technological changes and the justifiable concern of the provinces.

Mr. Speaker, we must hope and clamour, so as to make are sure to be heard, that the potential Commission provided for in Bill C-5 will first protect and ensure the development of political, social and economic life in Canada, second that it will contribute to ensure the movement and the exchange of regional and cultural information, and third, that it will also contribute to the development of national unity which is not factitious, which is not artificial, but which comes from a harmonization of our linguistic and cultural differences. It will also have to reflect the Canadian identity, the Canadian personality and the diversity of cultures and of social values in Canada. The Commission will also have to facilitate the orderly development of telecommunications in Canada by Canadians representing both founding groups of this country and to provide all Canadians with efficient and economical services and fair rates.

Mr. Speaker, in order to reach these objectives, the government will have to endeavor immediately to solve these problems with the intensive cooperation of the provinces. We could not emphasize too much this capital element of any policy which must be developed and defined by the central government.

● (1640)

We know quite well how important it is to respect the autonomy and rights of the provinces, to act towards them with much more flexibility, so that the conflicts that have been so frequent in recent history might be avoided. And it is precisely because this respect for provincial jurisdiction is almost an innate feeling that we say to the minister today that, if he wants to reach the aims I have just mentioned, there must be close cooperation with the provinces, not only for one or two days, at a seminar concluded by a press release which some parties are prepared to agree to while others refuse to do so. No!

There must be a continued and unceasing dialogue, an opening of mind towards the provinces, particularly towards Quebec, because the current conflicts between

[Mr. Wagner.]

broadcasting, teledistribution and transmission companies, on one hand, and those between provincial or federal jurisdictions on this matter, on the other hand, are such that they require from people in government much more flexibility than what we have been used to in the past.

Mr. Speaker, it is completely abnormal that, on communications, as the headlines I have mentioned earlier can show, Quebec and Ottawa should not see eye to eye. It is paradoxical. Therefore the federal Minister of Communications (Mr. Pelletier) must suggest administrative arrangements to the provinces and guarantee them real participation in national regulatory agencies. Furthermore, he must establish with the provinces the respective jurisdictions of the federal and provincial governments on this matter.

The CRTC maintains that the federal government has exclusive jurisdiction over broadcasting and cablevision. But there are other people, such as legal expert Gordon Henderson of Ottawa, who believe that the existing Broadcasting Act does not bear a clear mention of the federal jurisdiction on cablevision.

As you are all aware, the position of Quebec minister L'Allier on cablevision has already been supported by Ontario, Manitoba and Alberta, and whatever the hon. member for Montmorency (Mr. Duclos) who interrupted me a while ago might think, Ontario and Manitoba do not to my knowledge have separatist governments and the ministers of communications in those provinces, who support the claims of the Quebec minister, do not have separatist tendencies and are not about to leave confederation.

Therefore, Mr. Speaker, I think that in these circumstances, we must expose the situation vigorously. And I hope that I shall not be the only one to do so, and that other Quebec members on both sides of the House will join me in exposing very clearly, objectively and responsibly the rigidity of the federal government, and in strongly urging the federal Minister of Communications to negotiate with his provincial counterparts without always holding up the ultimate weapon of the Supreme Court. There will always be an opportunity to do so.

It should be noted, Mr. Speaker, that in such cases the solution is not always for the courts to decide. When such differences have political implications, the responsibility lies with political authorities to arrive at permanent solutions through dialogue, talks and meetings, instead of shifting the burden on the courts in the hope that their decision will put an end to litigations or wrangles.

As far as Quebec is concerned in this matter, the federal Minister of Communications should not ponder, as the Prime Minister did, whether that province's government is popular or not when it makes claims of a rather embarrassing nature. It will be quite enough for the minister to realize, for instance, that at the bottom of that difference lies a basic concern of Quebecers who want to have a say on technological developments in communications. This Quebec wish that I am expressing in this House contains or hides no cultural sovereignty trap. It is amazing, Mr. Speaker, how some politicians are in fear of being trapped by words. They should be above that, or strong enough to look at the facts beyond the words.

Mr. Duclos: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Montmorency on a point of order.

Mr. Duclos: Mr. Speaker, the hon. member for Saint-Hyacinthe referred to the Quebec government's will to assume greater responsibility in the area of communications. I would point out to the House that the intentions of Quebecers can be made known as properly by my Quebec colleagues and myself, who have been elected at the last election, as through the Quebec government. I believe that the outcome of the last election has clearly shown where the Quebecers' confidence lies.

Mr. Deputy Speaker: Order, please. The hon. member will agree with the Chair that he may totally disagree with the hon. member for Saint-Hyacinthe, but the normal procedure consistent with our rules is to take part in the debate. He might express his views after the hon. member for Saint-Hyacinthe. But to rise on a point of order because he disagrees with the speaker is against the rules. The hon. member for Saint-Hyacinthe.

Mr. Wagner: Thank you, Mr. Speaker.

[*English*]

Mr. Anderson: On a point of order, Mr. Speaker, could I ask the hon. member whether the translation was correct that he said he was the spokesman for Quebec in this House?

Mr. Deputy Speaker: Order, please. I must say I was not listening to the translation.

Mr. Anderson: On the same point of order, Mr. Speaker, if that was the correct translation, I suggest he is perhaps the spokesman for Quebec in the Conservative party but certainly not for this side of the House.

● (1650)

[*Translation*]

Mr. Wagner: Mr. Speaker,—

An hon. Member: In English!

Mr. Wagner: I beg your pardon, Madam,—

An hon. Member: In English, please!

Mr. Wagner: In English, for you! Well, all right!

At the request of a Liberal member, I shall now tell him in English what I wanted to say in French.

[*English*]

At the hon. member's request I would very much like to repeat the speech that I have been making in French, but I am sure that the translators have very correctly translated what I said, so I will not quarrel with what they had to say. On the other hand I welcome with great pleasure the invitation that has just been extended to us by one of the backbenchers of the Liberal party, who said he would also like to speak up for Quebec from time to time. I am looking forward to hearing the 54 to 56 Liberal members from Quebec state their point of view, as they should always do, whether on questions of communications, matters dealing with petroleum or any other question affecting the whole of Canada.

[*Translation*]

With your permission, Mr. Speaker, the Minister of—

Mr. Guay: Mr. Speaker, I raise the question of privilege.

Mr. Deputy Speaker: The hon. member for Lévis (Mr. Guay) on a question of privilege.

Mr. Guay (Lévis): As the hon. member for Saint-Hyacinthe (Mr. Wagner) just spoke in both languages, I understood him well. So, he calls himself the Quebec leader, the leader of members from Quebec here in Parliament, although if we recall the last election campaign, he was not even the Quebec leader for the Progressive Conservative Party then. Today he represents only two other members, with whom he does not even get along well, Mr. Speaker.

Mr. Wagner: Mr. Speaker, your very refusal to reply to the hon. member indicates what you think of his point of order.

Nevertheless, I would like to add something. The Minister of Communications (Mr. Pelletier) was addressing me, a few moments ago, when he said: "You were not here when I said that." Oh yes, I was here, and it is for that reason that I think it is my duty to say what I am saying now.

After hearing the minister, I feel bound to answer him and remind him that there is another point of view that should be considered in all fairness.

As for the Parliamentary Secretary to the Postmaster General (Mr. Guay), I also thank him for his remarks. I think the recent appointment of a new Quebec leader was a welcome change, for the new leader, the Minister of National Health and Welfare (Mr. Lalonde), showed his expertness and competence in Saint-Hyacinthe during the last election campaign. And I hope that very expertness will be displayed throughout Quebec at the next election.

Mr. Speaker, I go on—

Mr. Guay (Lévis): Mr. Speaker, I have another question of privilege.

Mr. Deputy Speaker: The hon. member for Lévis on a question of privilege.

Mr. Guay (Lévis): Once again, Mr. Speaker, on the same question of privilege, I shall remind the hon. member for Saint-Hyacinthe that during the last election campaign, the federal ministers from Quebec could cover the whole province, whereas he could not because his party would not let him.

An hon. Member: He was wandering in Saint-Hyacinthe.

Mr. Deputy Speaker: Order. I think the House should realize that if this debate is to progress, the hon. member for Saint-Hyacinthe should be allowed to complete his remarks. It will soon be five o'clock, and then we shall get on with our evening proceedings.

Mr. Wagner: Mr. Speaker, I shall not answer my colleague from Lévis because I do not wish to, but I might point out that I also travelled throughout the country during the last campaign. I did not have to go very far, because the whole cabinet was in my constituency. If I wanted to meet some minister or other, I had no problem since they were all there. The only one who did not come was the hon. member for Lévis.

Mr. Speaker, I was saying that insofar as Quebec is concerned with that extremely important matter of communications, the minister should always keep in mind the deep and fundamental aspirations of the Quebec people, namely their true wish and feeling that they should have their say in the technological development of communications.

This debate is essentially a political one, and that is why I stressed the fact a moment ago that a political situation calls for a political solution and not a judicial one.

Mr. Speaker, those are some of the thoughts I had and which I might possibly clarify further, in both languages if necessary. I shall clarify them once we start the committee study of the various clauses of this bill.

May I conclude by repeating that I hope all members whether on the government side or in the opposition, will resist the temptation to remain silent and will express themselves freely, whatever their political affiliation, whatever their personal feelings. If so, the debate will be an extremely interesting one and it will be seen that Quebec members of this House give much consideration to the legitimate aspirations which the Quebec Minister of Communications has been talking about for some time on behalf of the population and the government of the province of Quebec.

[*English*]

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I see it is only five minutes before the private members' hour so I will not have that much time to get into detail on Bill C-5 presently before the House.

This bill is an attempt by the government to combine the existing Canadian Transport Commission and the Canadian Radio-television Commission into one super agency to deal with the growing problems in respect of communications in this country. Because we have such a technological explosion in terms of communications we find that legislation designed many years ago, as early as the time of Confederation, is inadequate to meet the needs of communications in this very complex world.

Many scientists are predicting what they call "the wire city" with the advent of the coaxial cable which is now bringing television to many households in the country. They foresee the time when this same cable can be used to transmit other forms of computer messages, whereby someone can do his shopping by means of a telephone hook-up. I believe there is already an experiment being conducted in Toronto whereby a person can dial directly to a department store catalogue computer service, and order items in that fashion.

As a result of this expansion in cable service we are getting into jurisdictional disputes. Under the constitution the federal government was to be in charge of broadcasting, and at the time this meant mainly telegraph service. Then we moved into broadcasting by means of airways. With the advent of cable there are additional jurisdictional disputes because the provinces, through their telephone companies, claim the right to regulate cable service.

We are now faced with a question as to the definition of broadcasting; does it include cable television and, if so, who has jurisdiction, the federal government or the provinces? This bill is an attempt to deal with these very complex problems. They are complex, indeed, because in spite of the attempts of the Minister of Communications (Mr. Pelletier) to sit down with the provinces and come up with some kind of agreement, there has been very little success to date.

During my speech I should like to analyze what I think are some of the pitfalls in attempting to set up this super regulatory agency, and outline what I think will be some of the weaknesses. I want also to offer some suggestions to the minister on how he can improve communications with the provincial governments in order to resolve this very complex problem of jurisdiction.

I see it is five o'clock. Mr. Speaker, may I call it five o'clock and continue at eight this evening?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Grenville-Carleton (Mr. Baker)—Bilingualism—Possibility of financial assistance to groups contesting constitutionality of Bill 22; the hon. member for Nickel Belt (Mr. Rodriguez)—Penitentiaries—Use of Burwash Industrial Farm as medium security institution; the hon. member for Perth-Wilmot (Mr. Jarvis)—Agriculture—Inequity between tariff on imported cheese and Canadian cheese imported by European Common Market.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Francis: Mr. Speaker, I believe there might be disposition in the House to proceed with three bills that deal with the Electoral Boundaries Readjustment Act in the usual way of dealing with these matters, with the consent of hon. members. The three bills are Bill C-228, in the name of the hon. member for Bruce (Mr. Douglas); Bill C-229, in the name of the hon. member for Lafontaine (Mr. Lachance), and Bill C-365, in the name of the hon. member for Berthier (Mr. Yanakis). I would hope it would be

possible for them to receive second and third reading today.

Mr. McKinley: Mr. Speaker, we see no reason to quarrel with the suggestion that these bills be put through. They are bills which involve only a matter of changing the names of the ridings. This is normally a privilege afforded hon. members when one or two bills can be grouped together. We would agree to putting them through all stages during this private members' hour.

Mr. Deputy Speaker: Hon. members have heard the suggestion. Is there first unanimous consent that Bills C-228, C-229 and C-365 be modified in order that they can be referred to the Committee of the whole House instead of the Standing Committee on Privileges and Elections?

Some hon. Members: Agreed.

● (1700)

Mr. Deputy Speaker: Does the House also agree that we put the second reading motion in respect of the three bills one after the other, so that we may go into committee of the whole and consider the three bills without having the same process three times?

Some hon. Members: Agreed.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT RESPECTING CHANGE IN NAME OF CONSTITUENCY

Mr. C. Douglas (Bruce) moved that Bill C-228, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the Committee of the Whole House.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. Douglas (Bruce) moved the third reading of the bill.

He said: Madam Speaker, I think it is only fair that I speak on behalf of all hon. members whose bills are before the House in order to thank the House for moving so quickly on these bills.

Speaking in my own particular case may I simply say it is a matter of trying to allow for representation for a larger segment of the riding I now serve due to the fact that approximately one half of the riding is contained in another township. It was felt that those people residing in the townships of the county of Grey indeed formed a part of the representation of the member of the House for the riding of Bruce. Now the riding is to be known as Bruce-Grey. On behalf of myself and the other hon. members again I should like to thank the House for the quick consideration and passage of these bills at this time.

Motion agreed to, bill read the third time and passed.

Electoral Boundaries Readjustment Act

AMENDMENT RESPECTING CHANGE IN NAME OF CONSTITUENCY

Mr. Claude-André Lachance (Lafontaine) moved that Bill C-229, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the Committee of the Whole House.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

AMENDMENT RESPECTING CHANGE IN NAME OF CONSTITUENCY

Mr. Francis (for Mr. Yanakis) moved that Bill C-365, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the Committee of the Whole House.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. Antonio Yanakis (Berthier) moved the third reading of the bill.

[*Translation*]

He said: Madam Speaker, I would like to thank the House for having accepted so quickly the bill I brought in. It ensures much more justice and describes much more clearly the constituency I represent.

I wanted to introduce this bill following the change in the name of the Berthier-Maskinongé-Delanaudière constituency. My riding was called Berthier, but I do represent Maskinongé as well. So I moved this bill to correct the discrepancy. I think it will prove much more fair to my constituency. Once more I thank the House for having passed second and third reading of my bill.

[*English*]

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mrs. Morin): There does not seem to be any further business before the House. Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): It being six o'clock the House stands adjourned until 8 p.m.

At 5.12 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Broadcasting

GOVERNMENT ORDERS

[*English*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS ACT

MEASURE TO ESTABLISH COMMISSION

The House resumed consideration of the motion of Mr. Pelletier (Hochelaga) that Bill C-5, to establish the Canadian Radio-Television and Telecommunications Commission, to amend the Broadcasting Act and other acts in consequence thereof and to enact other consequential provisions, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I would like to resume my comments on Bill C-5, on which I began to speak prior to the adjournment at five o'clock for private members' hour.

This bill was brought forward by the Minister of Communications (Mr. Pelletier) to combine the existing regulatory bodies, the Canadian Transport Commission and the Canadian Radio-television Commission, into one super regulatory agency. I said earlier this afternoon that we in the NDP have some major criticisms about this proposal. Our first reservation is that the history of super regulatory agencies—such as the parallel agency in the United States which is the Federal Communications Commission—shows that the large agency tends to be subservient to the communications corporation interest. In fact what happens is that they tend to allow vertical integration and the strengthening of the monopoly of a few key industries in the communications system.

We also find, judging from the American example, that such huge regulatory bodies of common carriers develop a fixation on technology. In other words, the medium rather than the message becomes the most important thing. The body becomes concerned about regulating the actual hardware of cable television, wave television, and other aspects of the communication system, and looks at the technology rather than the content. It seems to us very important that this super agency should not diminish its role in examining the medium, the content of television, radio, telecommunication and other related areas.

My colleague, the hon. member for Winnipeg North (Mr. Orlikow), pointed out earlier this afternoon the lamentable record of the Canadian Transport Commission in standing up for citizens' interests against corporation interests. I do not want to go into that in too much detail, but suffice it to say that example after example has shown that when CPR or Bell Canada came before the CTC asking for a rate increase, usually they got it, and consumer groups attempting to put forward their case were hindered by lack of resources and lack of funds. They could not match the phalanx of lawyers or experts that the big corporations had to present their cases before the CTC.

Our hope is that because the CTC has such a lamentable record, the new super agency will correct some of that imbalance whereby the CTC has tended to listen more intently to the presentations of the large corporations rather than to individuals or consumer groups.

[The Acting Speaker (Mrs. Morin).]

The CRTC has had a somewhat better record regarding regulating broadcasting, promoting Canadian content and trying to regulate advertising. I am not saying that the record of CRTC is perfect, but certainly to make a comparison between its concern and that of the CTC about content and Canadian identity, and perhaps to some degree consumerism, its record is much more laudable than that of the CTC.

We hope that in the new agency the philosophy and approach of the CRTC will prevail rather than that of the CTC. However, somehow I have doubts about that because no matter what agency one sets up unless there is a strong minister, and a government setting out clear guidelines and making sure its agency pursues those guidelines in a vigorous way, it is doomed to failure in protecting the public's interest.

There are two questions that really need to be answered about the new agency proposed in Bill C-5. The first is, how strong will be the guidelines which the government will give to the agency? The second is, how adequate will its backup staff be to supervise those guidelines? Turning first to the guidelines, we notice already that one of the major weaknesses of the CTC is that the government has not ensured that the CTC vigorously pursued some of the guidelines set by the original legislation.

● (2010)

The Canadian Transport Commission was set up in light of the fact that we have monopoly institutions in this country in transportation and communications. The CTC was designed to protect the public interest. We know that the government and its predecessors have been somewhat lax in seeing that that goal was upheld. For instance, in the minority twenty-ninth parliament when the New Democratic Party was able to bring some pressure to bear on behalf of Canadian consumers, we prevented a further increase in Bell Telephone rates by arguing that in light of the profit position of Bell the increase was unjustified. Now that we have a majority parliament we see that decision reversed, and the government allowing the rate increase.

What I am saying is that we must have clear guidelines for the new regulatory agency, and we must have a government which will stand up and force the agency to pursue those guidelines vigorously.

The CRTC, despite its somewhat better record than that of the CTC, also has a number of weaknesses. Again it is a problem of the government not backing the agency or giving it the power to pursue its original mandate in a very vigorous way. I quote from the mandate given to the CRTC. This is in the Broadcasting Act, section 3(g). It states that the national broadcasting service should, and I quote:

> be a balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes covering the whole range of programming in fair proportion.

And from the same act:

> —contribute to the development of national unity and provide for a continuing expression of Canadian identity.

Those are laudable aims and guidelines for the CRTC, and yet when we look at the past policy decisions of this regulatory agency we find that it has fallen somewhat

short of those intentions. I give as an example the recent licensing of a new English television network in Canada, the Global television network. This was done without prior policy hearings throughout the country. Here we have a situation where a third television network is set up in Canada, although the Global network is basically just in southern and central Ontario despite the fact that if a third network is justified, we really need one based more in western Canada.

One of the great criticisms of the CBC and the CTV is that they are located in central Canada, and they express that kind of viewpoint. Many of their stories and personnel originate from that area of the country, and western Canadians, I think quite justifiably, feel that only the central part of Canada is getting attention. News comes with a particular bias from that region, and the west does not have a voice. It must be irksome to people in western Canada to hear Toronto oriented news stories, just as much as it is for us in northern Ontario. Here is an example of the CRTC not really carrying through its mandate to have full hearings on the establishment of a third television network.

I have a criticism of the CRTC on its lack of success in diverting cablevision revenue into general broadcasting, and also its failure to promote non commercial television service. I think there is a place in Canada for a non commercial service. I think this is what the CBC should be. We know that the CBC radio network is moving in that direction, and I think it would be a good test to allow the CBC television also to move toward a non commercial status. Then we could compare the private networks with a non commercial national network. The CRTC has not really pressed for this development, and I think that is quite lamentable.

My third criticism of the CRTC—and again I am using this as an illustration to point out that unless the government sets clear guidelines and gives the agency the power to pursue them, we have an agency in name rather than in fact—is that the CRTC has the power to make regulations regarding broadcasting, but its great drawback is that it cannot deal with the financial implications of such decisions. For example, the CRTC recently moved to reduce commercials on CBC television, especially children's commercials.

The interesting thing is that when the CRTC passes an edict down to the CBC saying that it must remove or reduce children's commercials, the CRTC has no power to authorize introduction of estimates in this parliament to make up for the loss of revenue suffered by the CBC television network. The CRTC then cannot provide funding for such reforms, and therefore its hands are tied. I fear that the new regulatory agency will be in the same boat.

Another example is that the CRTC is quite strong on Canadian content, as it should be. We have moved toward higher Canadian content in radio, but I give the example of the CRTC demanding 60 per cent Canadian content for the CTV network and then having to back down because CTV said it could not possibly manage it, and a compromise of only 50 per cent Canadian content was reached in return for extended service. In other words, because the CRTC is forced to allow television to solicit advertising revenue—and I find it almost incredible that with a publicly owned national network we have 12 minutes of advertising per hour on television, which is more than the private American networks—we have this conflict of interest where the CRTC is supposed to regulate advertising, but at the same time recognizes that it cannot do very much against advertising because of its inability to provide alternate funding or to recommend with any force alternate funding for these television networks.

I find it very sad that the CRTC has refused to act on a growing problem facing television in this country, and that is the use of advertising. I am afraid that in certain circumstances advertising has now taken on the air of political propaganda. I give as an example the recent series of commercials by Imperial Oil on Hockey Night in Canada, where this foreign owned company is making a political statement about the necessity of having higher revenues, by implication saying that the governments are taking too much in taxes and have created a supply crisis in this country. There is no provision for advertisements to counter that kind of political propaganda, and either the CRTC should demand that these commercials stop or at least provide an alternative opportunity for rebuttal, which it has not been doing. I think that that is a very serious indication of what is happening to advertising when large, multinational corporations can twist the intent of the Broadcasting Act and be allowed to put this kind of commercial on the national network without any chance of correction or rebuttal.

What I am saying is that if we are going to have this new super agency, we must have strength and guidelines. We cannot have a repetition of the kind of activity where the CTC favours large corporations over the private consumer. Nor should the CRTC be further weakened by unclear guidelines. The agency must be given power to implement its mandate. Adequate guidelines are essential for the work of a regulatory agency. I doubt if the government is serious about implementing such guidelines.

● (2020)

The second question I raise is, how adequate will be the staffing of the new regulatory agency? Obviously, if you combine under one agency two former agencies, you will double the workload of the new agency. According to the bill, serving on this agency will, be nine full-time and ten part-time directors. Compare that with the present board of the CRTC. Today there are five full-time and ten part-time directors serving on that body. Clearly the workload of the new agency will be increased and fewer directors will handle it; therefore the directors will be overworked.

Equally important is the size of the office support staff. Because the field of communications is complex, it must be studied. Many briefs will have to be read, analysed and processed. Large businesses dealing with the new agency can hire dozens of lawyers and technical experts to present briefs which, in effect, overwhelm agency staff. Unless the support staff is enlarged, the proposed agency will find itself in the same predicament as the CTC and, to a lesser extent, the CRTC.

When a regulatory body receives hundreds of pages of briefs and dozens of volumes of data from a company like

Bell, can you imagine how hard it is to examine such material? If regulatory bodies find this task hard, can you imagine how hard it is for consumer groups which lack the staff of an agency and the expertise available to businesses appearing before it?

Who will be on the board of this super regulatory agency? Will it be staffed only by lawyers, engineers and technocrats? If so, the new agency will act in the same way as the FCC in the United States has acted. The technocrats on the American commission are more concerned about the medium than the message. Such a step in this country would be a backward one. If broadcasters are included on the board of directors, how can we avoid conflicts of interest? Perhaps these questions can best be answered in committee.

The bill has not provided for any consumer advisory bureau which would assist consumers to prepare briefs or oppose communication oriented companies seeking to increase rates. Such a bureau should be established to assist consumers, and to help them travel from various parts of Canada to attend hearings here in Ottawa. Consumers found it difficult to travel from various parts of the country to Ottawa to attend CRTC and CTC hearings. The average consumer or consumer group cannot compete successfully with experts available to corporations. If the minister is serious about establishing an agency which will hear both sides of the story, he must amend the bill and provide for the establishment of a consumer bureau that will provide technical and expert advice, and funds as well, to enable consumers to travel, hire lawyers, and present their case before the board. We of the NDP hope the new agency will not repeat the mistakes of existing agencies. We hope it will move in a new direction and protect the public interest.

This bill sets the stage for the first battle between the provinces and the federal government over which will regulate broadcasting and cable television in this country. Broadcasting is now more complex than ever and cannot be equated merely with the transmission of waves through the air. Signals are transmitted via coaxial cable, the implications of which are immense. People will be able to hook into a computer circuit directly and order a product, pay a bill, or obtain information. What has been called the "wired city" is growing and will affect future developments in this country. Therefore it is important that we establish ground rules as to who will control what.

The federal and provincial governments are arguing over jurisdiction. Traditionally the federal government has controlled the airwaves and, hence, broadcasting. Traditionally the provinces have controlled telephone service and therefore claim jurisdiction over cable, which will be used in future for broadcasting and computer retrieval systems.

It is worth reviewing the positions of the provinces to help us keep the provisions of this bill in perspective. At the federal communications conference Alberta suggested that the provincial government "must have an input into the regulation of cable." Alberta officials stated that if its benefits are to be brought to their scattered people outside the densely populated urban areas, there must be a provincial master plan. This means an involvement of the provinces in the setting of franchise boundaries and the regulation of rates. Provinces are legitimately concerned about the nature of cable television within provincial jurisdictions.

[Mr. Symes.]

Ontario stated that because of the local nature of cable television the government of Ontario believes it must be responsible for the franchise area, the granting of the franchise and the designation of the services to be supplied, including educational, community and household services, and all-closed circuit aspects such as pay TV and information retrieval.

The position of Saskatchewan was that national broadcasting policy must balance the need to support the development of a viable production industry against the need to extend broadcasting distribution to all Canadians. Saskatchewan too is concerned about developing this network to serve remote communities of the province.

The position of Manitoba was that decentralization of control of cable television was a means of reversing the rural-urban shift. The potential for regional development which could result from a realistic decentralization of federal government electronic data processing activities was promising.

What was the attitude of the government of Quebec? I am worried, because so far no Quebec Liberal members have spoken in this debate. The attitude of the Premier of Quebec is important. He said, and I quote:

● (2030)

In cultural matters, the decision making centres we require for our own cultural security must be transferred, especially in the field of communications. This again is a simple matter of common sense since an English-speaking majority cannot be entrusted with ensuring the cultural security of a French-speaking minority. My government's position on this matter could be flexible as to form, but as far as the basic issues and the objectives are concerned, it is, and will remain firm, clear and determined.

Here we see the concern of the premier of Quebec about provincial jurisdiction in order to protect the cultural indentity of the French language group.

British Columbia is also concerned about jurisdiction over cable. Its officials say that an effective national policy in communications must respect the diversity of regions by being sufficiently flexible to permit varying solutions to diverse communications problems. A flexible national policy must accommodate the exercise of federal and provincial responsibilities in the implementation of differing policies among regions.

That, in brief form, is a summary of the attitudes of some of the provinces. The key theme running through this is that the provinces want to have an input into communications policy. They have certain regional and educational priorities for their people. They have a desire to protect their cultural identity and develop a regional consciousness. As a result, they need to have a say in communications policy making.

Against that we have the position of the federal government that says it has to govern for all of Canada. It says it has to promote a sense of Canadian identity and unity.

The federal government was somewhat taken aback by the united front of provinces wanting control over cable television as I have outlined. We are now faced with a problem which this bill just begins to touch on, the prob-

lem of jurisdiction over cable. How can we reconcile the legitimate needs of the provinces to service their residents against the legitimate need of the federal government to promote national unity rather than allow the country to be balkanized by all kinds of independent provincial communications systems?

There is a choice for the federal government and the provinces. They can go one of two ways. They can take the legal route and try to settle this conflict by taking the matter to the Supreme Court. If they do that, the provinces must recognize that the decision will have to come down in favour of the federal government. I say this because of the decision given in 1932 by the Privy Council which gave the federal government complete jurisdiction over regulation and control of radio communications. The Supreme Court is bound to favour the federal government in any legal battle over who has ultimate authority and control. However, I do not think the Minister of Communications wants to take that route. He knows it would be divisive. It would cause much hard feeling and division within the country, and hinder the ultimate aim of national unity and a sense of Canadian identity.

The other, and perhaps the only choice open, is the consultative route. This route would serve the best interests of national unity. It is a route that the provinces and the federal government must follow. I regret to say that so far there has been very little progress in this area. It is obvious that we need provincial input into this new super regulatory agency. Mechanisms must be established in order to allow the provinces to argue their case before the federal government, stating why they need special development of cable communications, radio or educational television within their provincial jurisdiction.

I was interested in a letter which the Minister of Communications sent to the Hon. John Rhodes, Ontario minister of transport and communications. The letter is dated September 18, 1974. The Minister of Communications proposed four points as a means of taking this consultative route. First is the establishment of a continuing committee on communications policy, comprising the responsible federal and provincial ministers. Second is the establishment of an association of federal and provincial regulatory commissions dealing with communications. Third is provincial approval of part-time members nominated to serve on the federal regulatory body, a body which this bill will create. Fourth is participation by representatives of provincial regulatory bodies in deliberations of the federal regulatory body.

Those proposals seem sound. It is a constructive route that the provinces and the federal government can follow, yet we see very little of any such proposals coming to fruition. Indeed in Bill C-5 there is a glaring absence of any reference to the third proposal of the minister, namely, allowing the provinces to approve part-time members nominated to serve on the federal regulatory body.

One wonders what kind of communication, if any, is going on between the federal minister and his provincial counterparts. What I have heard to date leads me to believe there is very little constructive consultation going on. There is not a meeting of minds. The lines are beginning to harden; positions are becoming more rigid.

I hope we do not get backed into a corner and have to face a legal constitutional battle over this issue of jurisdiction in the field of communications. As reasonable Canadians concerned not only with provincial but national rights, I hope that the federal minister and the provincial communications ministers will put less importance on who has the final say regarding the medium, and be more concerned about working out ways to have input into the message carried by this medium. In the end that is what is most important. If we do not have a content that is Canadian, alive and vigorous, promoting a Canadian identity as well as serving regional needs, we will have failed in a vital area of this country's future growth. We need to have a sound communications system.

● (2040)

Perhaps a compromise could be that the provinces would licence cable television to conform to the new CRTC guidelines. Perhaps it might be possible for a certain percentage of television time to be made available for provincial input. There are many areas which could be explored in a true spirit of co-operation between the central government and the provinces and, heaven knows, we certainly need more co-operation than confrontation. I hope the new regulatory agency will not repeat the mistakes made by the CTC and CRTC but that it will move in a new direction.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to take advantage of the debate on the bill before us in order to comment briefly, perhaps too briefly, on matters which I feel should be dealt with but which, for one reason or another, have so far been avoided in the course of our discussion. Before I get to what I consider to be the main substance of what I have to say I should like to deal generally with the broadcasting and television of programs in Canada.

The act as it presently stands makes provision for identifying Canadians to other Canadians. However, in the implementation of the relevant sections it would appear that because of the concentration of population in certain areas of the country and the impact these powerful groupings have on the executive, and, possibly on the bureaucracy, to say nothing of the government and its supporters, the regulations have either been ignored or else have been very laxly interpreted. As a result, many parts of the country are still without broadcasting facilities. Many briefs have been presented on their behalf to one body or another in an attempt to redress this situation, but for reasons of economy, it is said, the eyes of the CBC, the government and the commission have always been focussed on the larger centres of population.

However, I believe the point has now been reached at which far greater emphasis should be placed on serving the more sparsely populated regions of Canada. The people living there are making a contribution to our way of life and they naturally wish to enjoy other aspects of the Canadian scene, brought into their own livingrooms as in the case of other Canadians. At the present time they seem to be treated as second rate citizens in this respect.

Hon. members have referred to the rights of provincial authorities and have noted how jealously the provinces guard those rights. Let us think in terms of still smaller groups of population, of minorities; one can imagine the frustration they feel when their representations are ignored year after year simply because they do not reflect the views of great numbers of people. I feel that when the government is drawing up regulations as guidelines in consultation with the commission it should recognize the situation, and ensure that when licences for broadcasting or televising are issued, those directly concerned are made fully aware of their responsibilities to provide services of the kind I have in mind.

For example, there are many native groups, particularly in northern areas such as I represent, who are desirous of making a contribution and would like broadcasting to be done in their language. I might say that CBC radio has done an admirable job in this field. Radios are carried around in these sparsely populated areas, along trap lines and so on. Trappers, prospectors and others who live in the north use radios to pick up messages as well as for entertainment; they are one of the few contacts they have with the outside world. We have an obligation to these Canadians and, in my opinion, more emphasis should be placed on serving their needs rather than continuing in the fashion we have developed. Those who live in or near urban areas already have a wide selection of programs available to them.

The Canadian Broadcasting Corporation and the private companies have managed to take care of the financial problem surrounding the introduction of coloured television. For years it was argued that funds were insufficient to extend broadcasting to remote areas. However, when it came to opening up the country to coloured television, described at the time as being an extremely expensive process, funds came from somewhere. They were found because densely populated areas were able to exert a greater impact upon the government or upon the members of the commission. There is strength in numbers.

I wish to deal now with another area which should be covered because I feel a sense of frustration as a member of parliament. I feel the old Broadcasting Act, the original set-up of the CRTC, has had ample time to test out certain areas as to which way they should go. There are many members of the House of Commons who would like to comment on what I wish to say, but who feel a sense of frustration because they want to be lenient and allow the operation of our broadcasting system in such a way that censorship should not have to be exercised.

I think the intent of many members who participated in the original discussions on the act, in the committee or in the House, was that in no way should there be censorship. But what we expected from the commission was common sense. What we did not want was to see some little group allowing itself all the power and becoming untouchable in the sense that if you tamper with them you are immediately accused of censoring them. If you comment, you are a prude, you are not "with it," you are a "has-been," you are not an intellectual.

Surely every parent who cares how he brings up his family has the task of showing his offspring the difference between right and wrong. We enact regulations. We set up green lights and red lights. We set up rules everywhere in society. Yet we give television producers in many cases absolute licence to pull the rug out from every service club, every church, every mother and father who gives a darn about their children because they want to show us that they can produce something that defies everyone and get away with it.

[Mr. Korchinski.]

● (2050)

I am as concerned about the use of censorship as anybody. I am proud to be in a country where we can express ourselves freely. But I hate to be identified as one of a small minority. I had a very complimentary article written about me and I know I am living in the real world, but I do not think it is necessary to exploit sex on television or to use vulgar language. It is not that I am self-righteous, but I do want to speak for all those who cannot speak for themselves on this question. The message must get through to those who are charged with responsibility for our broadcasting system.

The Prime Minister (Mr. Trudeau) once said that the state has no business in the bedrooms of the nation. I say that I do not want to see sex as the symbol of our society. I realize the commission has a heavy role to fulfil, but as members of parliament have an obligation to society, so does the CRTC.

There seems to be a headlong rush to use advertising in order to get the greatest impact. Much use is made of television's instant message which reaches millions of people. However, by allowing certain freedoms people are able to corrupt. A few people will not be corrupted whatever the effort, but the constant use of corruption on television and certain filthy programs on television tend to undermine society. It is like an apple that is rotting from within. If this is what we expect society to be, Mr. Speaker, then I and all the people who write me are wrong.

I think the regulations as originally written were designed to steer a very fine course between censorship and freedom of expression. I have had people ask me, if a certain program was obscene, why those responsible have not been charged. But why should I or some other individual have to go to the trouble of charging these people simply because they took it upon themselves to produce something that breeds corruption? Why should we expect this of Canadian citizens? Surely there are other means of getting the message across.

This commission will be a body comprising nine full time members and ten part time members. I often wonder what happens to certain categories of submissions and whether they are automatically turned down. I have seen some of the submissions made to the commission, as I am sure other hon. members have, and I do not think that the people I represent are any different from the constituents of other hon. members. If the minister does not have sufficient authority to control the CRTC, then perhaps we should give him that authority, but these people have it in their power to cleanse themselves. Common logic should tell them what is right and what is wrong. This is not the case with the CBC television.

An hon. Member: The untouchables.

Mr. Korchinski: Yes, the untouchables. If it is the will of parliament to allow the CBC this kind of freedom, then at least I should have the option to withhold some portion of the money that goes towards the upkeep of a machine that corrupts society.

I realize that some people will point out that if I do not like certain programs I can always switch them off. But I do not think that a subject like sex should be exploited before millions of people. If we do not view certain programs there is naturally a certain curiosity among young people as to why this is so. I do not think a few people in the television broadcasting industry should put us in that position. Neither do I think people should have to write to me and tell me there is something wrong, and ask me what I can do about it. I am sure that every member of this House has received letters of complaint; certainly most hon. members have.

Mr. Gillies: I have.

Mr. Korchinski: And so, Mr. Speaker, what are we going to do about this? I do not think we should be called upon as members, each and everyone, to stand in our place and announce that we have received complaints of this sort; I think there are sufficient complaints to date to place the facts before the minister and the commission. Surely they must be aware of these complaints by now. However, they tend to play it cool, and after a little while they again test us to see how far they can go. For my money they have gone too far.

Are the full and part time members of the commission going to take upon themselves the responsibility of taking action, or does parliament have to ask them to travel across the country at the expense of the public to find out for themselves? That should not be necessary. If there is a group in Canada whose submissions will not be heard, then I say we should scrap the whole commission, start again from square one, and see whether or not we can appoint members of the commission who do at least take heed of the concerns of society.

● (2100)

I hear so many people say these days that we have a permissive society. What has made it permissive? I suggest that what has made it permissive is nothing else but the repetition of this kind of program we see on television. When things are repeated often enough people begin to believe they are true. Here I can think of a word that has now become commonly used in the King's English but which was not known prior to the last war, and that word is blitzkrieg.

This type of permissiveness has become common on CBC radio and television, although perhaps I should separate the two because I think radio has done an admirable job. These people in television know they have a great impact on society, and they continue to corrupt our people. I suggest they know what they are doing. I do not consider them stupid, but they think that everyone else in society is stupid.

If the committee is to be charged with the responsibility of drawing up certain guidelines for the communications media I suggest the committee should do just that, because it is high time we had some guidelines. The regulations up to now have been faulty or inadequate. Obviously there are too many people who are willing to ignore them with this permissive type of programming.

Perhaps someone in the television media has already been charged under a section of the Criminal Code dealing with obscenity, but I am not aware of such a case. Perhaps this has not happened because the Criminal Code is not precise enough in those sections that deal with broadcasting. They deal adequately with writings and pictures but they do not deal specifically with television programs. Perhaps if there is an obligation on us we should accept it and change the Criminal Code in this respect. If the Broadcasting Act fails in this regard we should rewrite it, and perhaps the time to do it is during the committee hearings on this bill.

It is not good enough for us just to live with the situation or ignore it in the hope that it will go away, or just wait until we see what happens. I think we have had ample opportunity to see what has happened. I do not want to have to stand here again in the House of Commons, or have someone else make a speech on behalf of those people who are right in suggesting that certain programs are smutty. There are times when one defends a minority even though it might be wrong because one thinks perhaps it might do some good. In that case one does not mind being associated with such a group. However, in the case of the broadcasting media, particularly television, our regulations are wrong, or at least inadequate.

It has been often suggested that there is something wrong with our society because of the amount of crime and the increase in the rate of crime. We spend all kinds of money on treatment in our jails and rehabilitation centres. Very often when young people find themselves in jail we hear people making the excuse that society is at fault. They suggest that because a young offender comes from a poor family out in the sticks he has never had a chance in life. What kind of a chance are we giving our young people when we allow this type of permissiveness on CBC? Just because one or two individuals in the CBC say this is right, that does not make it so. When these people make such a decision we instantaneously get their message.

I began my remarks by saying I would be brief. Perhaps I have not spoken long enough yet to impress upon members the message I want to leave. I suggest we must look into this matter very seriously. I know the country wants us to do that. I know the people want us to do something about this type of smutty programming. The time to do something is right now, and the place is here. I suggest the minister would endear himself to a great many people in this country if he would take the step which will lead to a change in this situation, and the best feature of all is that by doing so he would be doing the right thing.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, although I do not have many friends here, those I have are real friends.

The Minister of Communications (Mr. Pelletier) introduced a bill to establish the Canadian Radio-television and Telecommunications Commission, to amend the

Broadcasting Act and other acts and to enact other consequential provisions.

My remarks will be very brief, but very specific. Since everyone knows the procedure in this House, whereby each bill goes through five stages before being finally either carried, killed or amended—in other words first reading, second reading and referral to Standing committee, the report stage and, finally, third reading. After that, the other place approves what we did. I therefore feel I will have other opportunities to deal with this bill's aims and objectives, and I wish to restrict my remarks to two clauses of the bill, more specifically clause 7(1) and (2), and clause 11(c). In the meantime, we will come back to clause 10 stating the number of meetings.

Mr. Speaker, it will be apparent why I deal so specifically with this bill, ever since I came to this House, in 1968. Bills are constantly introduced by Government members to establish Commissions, Committees, structures of some kind or Crown corporations. Each time a new bureaucracy is set up. Each time, it gets almost unlimited powers. It may not be in the act, but it happens in fact. Take the Unemployment Insurance Commission for instance. That commission has an advisory committee. Yet the act is specific in that case but God knows what they do. Neither you nor I, Mr. Speaker, can determine what kind of work they do, how much they are paid to do it, what are the results, since they are not accountable to Parliament.

● (2110)

Now, the Minister of Communications (Mr. Pelletier), in an area and a field of operation, as important as communications are in a modern world, introduced a bill to create another "creature" of civil servants, another board. That one will be the Radio-television Commission.

Mr. Speaker, I see the former President of the Treasury Board (Mr. Drury) who, when he was in that portfolio, was tightening the purse strings saying: Let us not spend too much. Mr. Speaker, when this House, on December 19 last, gave a first class burial to Bill C-44 to increase the salaries of members of parliament, the Public Service Alliance was protesting on the CBC and English and French television stations. The President of the public servants union, of those "creatures", said that members of parliament were paid too much, that it was disgusting, that enough was enough, that members of parliament were setting a bad example with their salary increase, and that those salaries were exaggerated. That is what I heard on the air that the Minister wants to control where the President of the union representing the public servants of those "creatures" expressed his views.

Mr. Speaker, tonight the House is considering a bill to create a "creature". That does not mean it will not serve the interests of the Canadians and this House. That means that it will provide jobs for Canadians, and it will become another superstructure of civil servants. How much will they be paid? How many times a year will they meet? What will be the respective and specific terms of reference of every member? There will be nine full-time and ten part-time, for a total of 19, as provided in the act.

Let us try and see, Mr. Speaker. Those very people who passed judgment on members of parliament, protected in doing so by certain governments and NDP members, had this to say at clause 7(1):

Each full-time member shall be paid a salary to be fixed by the Governor in Council—

What is the salary, Mr. Speaker? I ask the minister through you. What will the salary be?

. . . and each part-time member shall be paid such fees for attendances at meetings of the Commission or any committee thereof or at any public hearing before the Commission that he is requested by the Chairman to attend as are fixed by by-law of the Commission.

That, Mr. Speaker, is the catch. Friends of the government will probably be appointed, as a political reward, to the Commission, and they will provide for their salaries and expense accounts through internal economy. Newspapermen will know nothing about that. They do not attend those meetings of the Commission. Nor do hon. members. No one will be able to judge them because they will be answerable to no one but a silent minister in this House who will tell us, as in the case of the CBC: Listen, the CBC is answerable to me, but this information is privileged. Mr. Speaker, those people will get paid, believe you me! But when the hon. members ask for a salary increase, people judge them, ask them to account for themselves: yet, the salaries paid those people come from the same source as those of the members of parliament.

Paragraph (2), Mr. Speaker, and I know this will be of interest to my colleague from Timiskaming (Mr. Peters) of the New Democratic Party: he understands those things; he is here to defend the interests of our fellow-citizens rather than those of the civil servants. I am sure of that. He agrees with me.

Paragraph (2) says this:

Each member is entitled to be paid such . . . expenses . . .

He is ordered to do so by law, Mr. Speaker, which is not the case for the people's elected representatives.

Subclause 7(2) of this bill stipulates that:

. . . be paid such travelling and living expenses incurred by him in the performance of his duties as are fixed by by-law of the Commission.

It would be fantastic, Mr. Speaker, if we could also operate by by-law, whatever the Canadian people may think, building an empire of civil servants, such as unemployment insurance offices, the Polymer Corporation, the CBC, which are answerable to nobody in this House nor to the general public.

Mr. Speaker, I wanted to put these remarks on record so that the same people who read in *Hansard* about the outcry against the salaries of MPs can see what is being done in this House about the establishment of a Radio-television Commission.

The minister who wanted to make sure that these people would be well paid before beginning to work indcluded two clauses to that effect, clauses 7 and 11. Surely he is not responsible for that, because in that case as in others, civil servants stick together.

Clause 11, subclause (c), in fact the first three pages of this bill, Mr. Speaker, do not deal with broadcasting protection and Canadian cable T.V. In fact, these are only dealt with in the schedule. The first six pages of this bill, Mr. Speaker, do not deal with the interests of Canadian people, nor with the use of airwaves, nor with private

interests or the bereavement of monopolies, nor even with the protection of Canadian interests with respect to the benefit foreign countries might derive from airwave use. In fact, the first six or seven pages of this bill aim at making sure that the civil servants employed will be well paid, well fed, will sleep well and have adequate transportation, and that everything will be handsomely provided for by the state's treasury. The broad objects of those people are outlined in the schedule.

Madam Speaker, this is how clause 11, subclause (c) reads:

11. The Commission may make by-laws . . .

(c) fixing the fees to be paid to part-time members of the Commission for attendance at meetings of the Commission or any committee thereof or at public hearings . . .

Madam Speaker, we are in the process of establishing a special joint committee of the Senate and the House of Commons to study the immigration policy after the green paper on immigration. Members of Parliament will travel throughout the country doing exactly the same job as those civil servants besides listening to citizens, which civil servants don't. And those hon. members will not be paid for the work, but they will do exactly the same thing. They will carry out additional activities, but they will not get any complementary salary. Their expenses will not be paid, and on the contrary, everything will be at their own expense.

Madam Speaker, a bill is being introduced today. The members of the commission have not yet started to work, but they are assured that they will be paid at a rate determined not by the minister, not by the representatives of the people, not by Parliament either, but by themselves: that is what appears under "by-laws" in clause 11, subclause (c).

How many times will they meet every year? Members of Parliament meet I do not know how many hours and days every year. It is 9.15 p.m. just now, and none of us will receive any overtime pay because the House will adjourn around 10.30 p.m. The same thing happens three times a week. So, these people are going to meet, as provided under clause 10. Well, that remains to be seen, Madam Speaker, it is our duty to study legislation. Clause 10 reads as follows:

10. (2) The Commission shall meet at least six times in each year.

What a big success!

It is a real shame, Madam Speaker. I want the minister to know that before dealing with broadcasting, we should have a policy of equity between members of parliament and those who are merely appointed to administer the statutes passed by Parliament.

I feel that if we wanted to be logical in this House, we should see to it that the same rules, self-discipline, regulations and obligations that apply to us also apply to those civil servants who make fun of us when we vote ourselves salary increases. Then, we could listen to what they have to say.

Madam Speaker, my greatest source of frustration as a member is to have someone dictate to me some regulations about which I have no say and which are meant to be complementary to the legislation which I passed in the House. We pass the legislation, the officials make the regulations and finally we no longer recognize the bill originally passed, because it has been so much altered by public servants.

Madam Speaker, public servants disguise and systematically destroy our legislation. We, the representatives of the people can take any legislation and we will see what finally happens to it. Public servants, destroy, distort and systematically spoil the legislation by making regulations to annoy our fellow citizens. Paid by whom and how? God alone knows and perhaps also the minister. It is not sure and there is no proof of it. It appears in the bill: by-laws.

Well, Madam Speaker, I think that the officials must realize that it is very well to study the legislation, that it is very well to pass it, but those who will read *Hansard* tomorrow, must be aware whether they are French-speaking or English-speaking, from Quebec or British Columbia, that the members of this House intend to do their work and want to be equitably treated.

I am not speaking tonight to get a salary increase. The people know that I am in favour of it. I do not hide the fact. However, Madam Speaker, we have succeeded in bringing to a standstill that strong majority government which used to say: Give us a majority! They are there. They asked for a 50 per cent increase. Faced with NDP blackmailers and conniving reporters, they backed down to 30 per cent. Then, they retreated further still and today the same bill has been shelved because they are afraid of public opinion. Meanwhile what is that so-called strong majority government doing? Well, it is laughing at the members and introducing a bill to give unlimited powers enabling an internal committee to control broadcasting.

Madam Speaker, I think that the Liberal members are cowards and the servants of great financial interests—this is obvious—but in the case of public servants, it has now become a sure thing.

Mr. Roch La Salle (Joliette): Madam Speaker, I would like to make some comments at the end of today's debate on Bill C-5 which, for every member of Parliament, is nonetheless very important. We have been talking for a long time about the possibility to improve telecommunications, today we have before us a bill which provides for the establishment of a national commission responsible at the national level for everything related to communications.

As some of my colleagues of all parties, I have had the opportunity to make my views known to the responsible minister. First, I would like to say that I agree with some comments which have been made in this House on this bill. At the outset, I would like particularly to support my colleague, the hon. member for Saint-Hyacinthe (Mr. Wagner), who did make some appropriate comments this afternoon, particularly about Quebec. We know quite well that the respect of the provinces must be preserved. As for us, we regret and we condemn, in any case, and if I am to believe the comments made by the three opposition parties, I think that we severely condemn the government's centralizing policy in various fields.

Thus, last week, we examined Bill C-49, and we urged the Minister of Finance (Mr. Turner) to wait until after the meeting with the ministers responsible for taxation and especially royalties, which he refused to do. This

meeting will of course take place after the decision was taken; we shall have a legislation which, once more, will be followed by a meeting of the provincial ministers of communications in a few weeks, and, once more, we have to take a decision before the meeting takes place. However, Madam Speaker, it seems to me that it would be so easy to wait until the results of the meeting are known, that it would be so easy to take advantage of this meeting to make a legislation which might meet, I say meet, Madam Speaker, the wishes of the provinces.

● (2120)

But no. Once again, the government quickens the pace and wants the legislation to be passed as quickly as possible. The provinces will be consulted later. They refuse to admit that these decisions are unilateral. Within a week, they will be talking once again of a viable, profitable federalism that is interesting for the provinces. And they want the provinces to be perfectly happy under our system which is frustrating for several of them.

This afternoon, Madam Speaker, the hon. member for Saint-Hyacinthe (Mr. Wagner) talked about the position of the Quebec Minister of Communications. In the last two years, I think, the Quebec government has made representations on several occasions. It stated its position on communications. I heard some members, including my colleague on my left, who talked about respect for the provinces, about a policy geared to the needs and aspirations of the provinces. We want a legislation that would take national unity into account and, of course, we serve this cause by attacking all the problems we know of. How can we talk of national unity when we refuse to consider seriously the representations of the provinces?

It was clearly established that several provinces gave their support to the province of Quebec in a particular field called cablevision. We know perfectly, well that it is unthinkable to aim at national unity if we do not respect the wish of the provinces. And I wonder to what extent the present government is aware of the problem. On several occasions, Madam Speaker, I discussed with members of the opposition or even government members from Quebec who are certainly sensitive to the problems of their province and who felt the need to come and serve Quebec. But how can they serve it?

I heard my colleagues from other provinces who have that responsibility of meeting the aspirations of their provinces. We, of the Progressive Conservative Party, were being accused as recently as last week of having responded only to the Alberta proposal on the oil issue. Let me tell you, Madam Speaker, that this provides me with another opportunity to commend the people of Alberta for standing up for a natural resource within their own limits as recognized by the constitution.

Is it possible today in face of the legislation that was brought in to keep quiet and let the government introduce a bill to set up a national commission, to set up a national policy, knowing quite well that the government on several occasions recognized regional disparities, marked differences between areas and provinces? How can anyone think, whether it be in the area of energy with the people of Alberta or in the area of communications or cultural matters, of setting up a national policy that would meet

[Mr. La Salle.]

the aspirations of all Canadians without bearing consideration for the ethnic groups that make up this country and particularly the two founding groups? It is unthinkable, Madam Speaker. So they can talk to me of national harmony, a policy that could meet the aspirations of those founding groups, those ethnic groups, those provinces, those marked differences at the national level, and in the area of communications it's the same thing.

So, Madam Speaker, I would like to say this to respond in the affirmative to the government of Quebec that is not a government for which I worked on a regular basis, on the contrary. But I think my responsibility vis-à-vis my commitments prompts me to rise to the aspirations of my province, as the people of Alberta did so well to the aspirations of their province on the oil issue. Other provinces will also have to respond to their own needs, and I think in that way we can create a national harmony that will meet the objective we pursue of building a country in which there would be an understanding.

The Quebec provincial minister in charge of communications said two years ago, and repeated, the following:

> Quebec states it has exclusive jurisdiction in this area. Cable television is an undertaking of a local nature for the purposes of the British North America Act. It can be quite clearly identified geographically, contrary to airwaves, and we see no reason why it should be under federal responsibility. Of course the federal government feels cable TV is only an extension of radio and television broadcasting. We submit that contention does not hold. Because cable TV is essentially a means of communication, just as the telephone.

I believe every member realizes that this area in particular must meet the needs and mentality of a province or an area. The minister goes on to say:

> It is currently used mainly to rebroadcast television programs. Cable television however will have in the years to come a very diversified range of applications going well beyond retransmission of TV programs. In that context, we see no reason to support federal reasoning in this area.

The Quebec minister in charge of communications further stated, and I quote:

> As you may see, the Quebec government's view contradicts in no way the federal role in communications. It simply emphasizes that Canada is a federation comprised of eleven governments, which eleven governments have various substantial responsibilities in the field of communications. The situation would be very different if Canada were a centrally unified state. But such is not the case, for very precise reasons you are aware of. Since we live in a federation, each level of government must be allowed to truly fulfill its purposes. This in no way balkanizes Canada, notwithstanding claims to the contrary; quite the opposite, the eleven governments can very well agree on certain national criteria in the field of communications, which should become the parameters for a truly national communications policy; it would then be the responsibility of each government to implement that policy, within its own jurisdiction. In our opinion, it is not absolutely necessary that everything be centralized in Ottawa in the name of national unity which, in such a case, becomes instead national uniformity. In fact, we feel that Canada is not a uniform country, far from it, and that true national unity derives precisely from the promotion and vitality of its various cultures.

This is, Madam Speaker, what the Quebec minister responsible for communications was saying hardly a year ago. And since then, we are aware of the conflict between the federal and the Quebec governments, we also know that all provinces do not readily accept the federal government's propositions being made at this time.

Therefore, I am taking these few minutes, Madam Speaker, to urge the government to seriously consider the

problem, especially since it has about 60 members from Quebec. I think these members have a responsibility towards Quebec as the other members of other provinces have also towards their own province.

Could it be possible to believe that because of a party line, as representatives of a province, our interests and our responsibilities are betrayed? I venture to think it could not, Madam Speaker. In my opinion, the government of Quebec, not only through its Minister of Communications, but also in many other fields and for a number of years, has made representations to the federal government which unfortunately were not received as well as they should have been in this particular field, considering the peculiar situation of the province of Quebec.

I shall perhaps offend or irritate a few members. I think that we must recognize in this matter the particular position of the province of Quebec, and I challenge anybody to say anything to the contrary. The government members know what I mean. The government members will not dare say that I am wrong, Madam Speaker, but I should have liked them to take position and state that Quebec is wrong when it recommends privileged positions in communications, as Quebec is willing to acknowledge privileged positions for any English-speaking province, according to its needs, its mentality and its traditions.

Thus I think it is important to underline this aspect and I dare believe that the responsible French-speaking minister of Quebec will be able to meet the demands of the Quebec government and the wishes of a founding nation which does not hesitate to recognize the arguments put forward by the other provinces. I do not accept, Madam Speaker, that we be called separatists when we defend the interests of Quebec in this House or that the Quebec Minister of Communications be labelled a separatist when we defend him, because he deeply and sincerely meets a well-founded wish we have, as Quebecers.

All those who tried to call separatists the responsible minister or Quebecers who do not agree with a centralizing policy of the federal government are wrong. They are not necessarily separatists, but they have good intentions, they are deeply nationalistic, they surely believe in Canada and recognize the marked differences in this country. On behalf of these differences, on behalf of national harmony, we must thus search for much more than national unity. Mr. L'Allier rejects uniformity. I happen to be one of those who reject uniformity. I have respect for my colleagues and hope that we can find policies that will stick to the real facts and to the regional and provincial context, so that we can definitely speak, of a viable federalism.

Madam Speaker, we cannot otherwise believe in a viable federalism. Let us not ask ourselves any longer why, both in Quebec and in other provinces, problems add up every day, and why, particularly in Quebec, thousands of Quebecers have ceased to believe in federalism because of certain centralizing policies overlooking representations made by the provincial government and the context of important differences in Canada.

Madam Speaker, I conclude by saying that the minister could have waited till the meeting is held in a short time from now instead of putting immediately this bill before us. He could have discussed the matter once more, even if only to try one last time to give an affirmative and satisfactory answer to the Quebec government.

● (2130)

I have serious doubts that Quebec would be displeased with the communications policy. I shall never hesitate to live up to the aspirations of Quebec and I think this is the sacred duty, of every hon. member from that province. Of course, I do not want to be the only one to do so. It may be believed that we are fulfilling that obligation in a satisfactory way. I think that policy sufficiently important, and I know the minister well enough, Madam Speaker, to be familiar with his past record, truly in the Quebec spirit, to respect, to make the ultimate effort to fulfil that province's aspirations, as Quebecers are expecting it. I do hope that the minister will give us the replies we want.

The Acting Speaker (Mrs. Morin): Order. I must advise the House that should the minister speak now he will close the debate.

Hon. Gérard Pelletier (Minister of Communications): Madam Speaker, I should like to make a few comments to correct certain false impressions which I believe have been left by some members who spoke earlier.

[*English*]

When the hon. member for Regina East (Mr. Balfour) said that the federal government had refused to negotiate with the provinces, he certainly did not know the record very well. I cannot admit that this is true because I know how hard I have been working at it and how many contacts I have had with each and all of the communications ministers in the various provinces. I really cannot accept this statement, and I hope that we will have an occasion to explain what we have been doing. Had the hon. member only read the correspondence I tabled a few weeks ago in this very chamber, he would have known that his statement was incorrect.

If our Tory friends on the other side of the House are very concerned with financial inflation, they surely are not concerned very much—at least not the hon. member for Regina East—with verbal inflation. When he said, for instance, that the communications mess was crippling our country, I should say that the vigour of the argument has no equal, except perhaps the weakness of evidence, because he did not even try to say how communications are crippling this country. It is quite the contrary, when one thinks that we have one of the best telephone systems in the whole world, that we have the first domestic communications satellite system and one of the most advanced systems of computer communications.

The hon. member is just satisfied to say that a communications mess is crippling our country, without giving any evidence, and he would have to be a little more logical than that. At least he should state some facts, in committee or somewhere else, if he wants to persuade anyone including, I suspect, himself. The most dangerous comment that he made is that this bill is presented to the House without the consent of the provinces. This goes as well for the hon. member for Joliette (Mr. La Salle) who obviously was talking through his hat.

Some hon. Members: Hear, hear!

Mr. Pelletier (Hochelaga): At the first conference more than a year ago, I told all the provinces that this bill would be presented and that it would not change anything except to tidy up the system and join two existing regulatory bodies. No province made any objection to our presenting what we called in the department and in our talks with the provinces the first phase of the legislation. Not one province objected to that. They all admitted this was a housekeeping operation on the part of the federal government. If hon. members had read the bill carefully they would have seen it applies only to federally regulated societies, corporations, agencies and what-not. So, this is not done without their consent and we have nothing to wait for in this case. Not one province objected to our presenting this legislation at this time.

● (2140)

I do not have much to say about the remarks of the hon. member for Winnipeg North (Mr. Orlikow) except that his denunciation of the CTC lacked a foundation in evidence, and some of his rhetorical questions had already been answered before he asked them in his speech. He asked, for instance, where the government stands on the indexing of telephone rates of Bell Canada. The position of the government was put clearly. Perhaps he was on holiday and did not get the press release. The statement I made, after there had been a cabinet decision, was clear. It was that the government was not espousing this position but that it would not stifle the discussion of any question, including that one, by the CTC. He wondered what is the position of the CTC. Let him wait. The hearings are just starting and every intervener will be in the position to make his case. Only after that has been done will the CTC express an opinion, because it will genuinely try to explore a question and find a satisfying answer.

[*Translation*]

Let me now quickly come to the remarks of the hon. member for Saint-Hyacinthe (Mr. Wagner). He too indulges in verbal inflation when he says that nothing was undertaken since 1963 to develop the technology of communications in Canada. The only thing I can say is that the hon. member for Saint-Hyacinthe just did not keep abreast of progress in that field. He too does not know what the development of computer-communications was, and I could brief him if ever he can spare the time. He too omits Telesat Canada which is a world première for our country. He also forgets about a lot of progress made with respect to the use of cable, television and broadcasting, and his assertion is senseless. But another remark by the hon. member for Saint-Hyacinthe baffles me even more, and we cannot get on with the debate on that bill without challenging such a statement. The hon. member for Saint-Hyacinthe says: According to the CRTC, the cable would be under federal jurisdiction. The hon. member for Saint-Hyacinthe has only been a short time in this Parliament, because if he had been here in 1969, he would have realized that no jurisdictional powers were granted by the CRTC but through the act, which as a matter of fact was upheld everytime there was an appeal against it since it was passed.

Such a decision did not originate in the CRTC, but in Parliament, which the hon. member for Saint Hyacinthe is a member of, maybe not for very long, but nevertheless a member of. He should realize, and so should the hon. member for Joliette (Mr. LaSalle) as well, that the argument he is talking about was not started by the federal government against the provincial government, but that the provincial government of Quebec did so by trespassing on a jurisdiction which every court decision acknowledged to be a federal one, by passing an act whose provisions are still being challenged in courts, since that act was passed without any consultation with the federal government.

And when the hon. member for Saint-Hyacinthe put forward the testimony of Mr. Henderson against the federal jurisdiction with respect to communications, I wonder if he realizes that his source was the great supporter of American interests versus Canadian broadcasting in a recent case before the federal court.

In connection with the remarks made by the hon. member for Lotbinière (Mr. Fortin), Madam Speaker, I merely want to say that I never saw a man breaking down an open door with such vigour. He said that we are setting up a new agency. He did not read the bill. In fact, we are making one out of two. We are not setting up a new one. Because we are combining two agencies, there will be one less, according to my calculations. I do not know where the hon. member learned his arithmetic. He also finds it shocking that the bill should mention the setting up of a regulatory body before setting forth its responsibilities.

Madam Speaker, I wonder if the hon. member has any spare time. Since 1969 and even 1967, he should have spent a little time reading the Broadcasting Act which is still in force and sets forth, in Part II, all the responsibilities and functions of this body, In a bill aimed at combining two regulatory agencies, we were not going to include each and every section of the Broadcasting Act. May I suggest to the hon. member to refer to Part II of the Broadcasting Act which was adopted in 1967. He had eight years to read it, which gave him ample time, it seems to me. He would find in it everything he was shocked not to find in the bill before us tonight.

As to the salaries of MPs, I must say that I somewhat agree with him, although I do not quite see how it is relevant to this debate. On the broadcasting issue, however, I must say that he broke down an open door, but luckily for him, it was not an open window because we would have lost him for future debates.

Madam Speaker, that sums up my remarks. I thank all the members who took part in this debate. I believe we will be able to clarify many questions, some of which were most relevant, put by the hon. member for Sault Ste. Marie (Mr. Symes), in committee as well as during the subsequent stages this bill will go through.

Mr. Fortin: Madam Speaker, I rise on a point of order.

The Acting Speaker (Mrs. Morin): The hon. member for Lotbinière (Mr. Fortin) on a point of order.

Mr. Fortin: Madam Speaker, I rise on a point of order.

Considering that under the Standing Orders of the House, whenever a minister rises he closes the debate, I had hoped that the minister would take this opportunity to specify what salary will be provided by the internal administration for those people, so that it will be recorded

in *Hansard*, so that readers may compare the salary paid to high officials to that of members of parliament.

The Acting Speaker (Mrs. Morin): The question is as follows: Mr. Pelletier (Hochelaga), seconded by Mr. Lalonde, moves that Bill C-5, to establish the Canadian Radio-television and Telecommunications Commission, to amend the Broadcasting Act and other acts in consequence thereof and to enact other consequential provisions, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Is it the pleasure of the House to adopt the said motion?

Mr. Fortin: Madam Speaker, I rise on a point of order.

The Acting Speaker (Mrs. Morin): I should like to remind the hon. member that once the question is put, no point of order is allowed. Order. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Mr. Fortin: Madam Speaker, my point of order is that this motion is out of order. Twice you pointed out that the sponsor of this bill was the Minister of Communications, seconded by Mr. Lalonde, but the latter is absent at the present time.

The Acting Speaker (Mrs. Morin): Correction: Mr. Sharp instead of Mr. Lalonde. I am told that everything is in order since Mr. Lalonde seconded the motion at the beginning.

Motion agreed to, bill read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

● (2150)

[*English*]

The Acting Speaker (Mrs. Morin): The next item of business will be Bill C-50, to amend the Agricultural Stabilization Act.

Mr. Sharp: Madam Speaker, I had expected to do something I have never in my life done before, make a speech on behalf of my colleague, the Minister of Agriculture (Mr. Whelan), something I would not have been able to do with great success. It being so close to ten o'clock I wonder whether it might not be called ten o'clock.

The Acting Speaker (Mrs. Morin): Is it agreed that we call it ten o'clock?

Some hon. Members: Agreed.

Mr. McKinley: Madam Speaker, I notice that the hon. member for Grenville-Carleton (Mr. Baker) was to be first on the adjournment debate. He is not yet here. He is attending a committee meeting. If the House wishes, I will get him.

Mr. Reid: Perhaps we could begin with the members in the opposition who are here. There are five committees sitting this evening and that is why they are not here at this point. Perhaps we might proceed by taking those questions that are scheduled for this evening in the order in which members opposite appear here.

The Acting Speaker (Mrs. Morin): Is it agreed that we proceed with question No. 3?

* * *

BUSINESS OF THE HOUSE

Mr. Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, before we go on to the questions, will the government House leader inform us of the business for tomorrow?

Mr. Sharp: Yes, Madam Speaker. It is the intention to proceed with Bill C-50 which Your Honour called this evening. My colleague, the Minister of Agriculture (Mr. Whelan), will be here to make the speech he intended to make for this purpose. If by chance we are able to conclude the debate on that item, we will then proceed to the western grain stabilization bill, Bill C-41.

Mr. McKinley: Madam Speaker, we have sent for the hon. member for Grenville-Carleton to come to the House as quickly as possible. If the House will be patient—

Mr. Reid: I wonder then if we could start with the hon. member for Perth-Wilmot (Mr. Jarvis).

Mr. McKinley: He is not yet here.

Mr. Nystrom: We have the same problem, Madam Speaker. The hon. member for Nickel Belt (Mr. Rodriguez) is not here. He is the second on the list. We will have to wait a few minutes for him.

Mr. Reid: In that case, Madam Speaker, perhaps we could rest for five minutes until the members show up.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[*English*]

BILINGUALISM—POSSIBILITY OF FINANCIAL ASSISTANCE TO GROUPS CONTESTING CONSTITUTIONALITY OF BILL 22

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, the Prime Minister (Mr. Trudeau) who, if he is anything at all, ought to be the keeper of the constitution of this country, said that he will not initiate any action to bring Quebec's Bill 22 before the Supreme Court of Canada.

Bill 22, no matter from what end it is viewed, is perhaps the most divisive piece of legislation that has ever appeared on a federal or provincial statute book. Quite aside from the fact that it was rammed through the

Quebec assembly, it makes a mockery of the official languages policy of the federal government. It is a denial of justice to the English speaking minority in Quebec and to those who came to Canada from other parts of the world.

There are aspects of the bill about which there can be a real question as to their constitutionality. Basically, it is an attempt by a provincial government to amend the British North America Act. It has a profound effect on the rights of Canadians to learn and to have their children taught in the language of their choice. In the long run it will do more to damage the relationship in our country between the two major language groups than anything that has preceded it.

The bill places an astounding reliance on bureaucrats, a state of affairs that is questionable in itself. Rule by regulation is the order of the day. I cannot imagine anything more dangerous where basic rights are seen to be threatened. However, what does the Prime Minister do? First, he will not disallow the bill. He used as his excuse that the remedy of disallowance has not been used for 30 years. Perhaps that is a greater tribute to the wisdom of provincial governments than an indication of the obsolescence of the method.

The Prime Minister was asked if the federal government would refer the matter to the Supreme Court of Canada so that this smouldering time-bomb could be laid to rest one way or another. The terror of the fund-raising dinner in Montreal is not such a terror after all. He refused to do that. I then asked him the question which is the subject of this debate tonight. In effect, he does not have the courage to take action himself and so he hides behind other groups.

I asked the Prime Minister whether he would aid financially those who do in fact have that courage. He did it with the Indians in James Bay. However, again the great leader evaded, slithered and slid away. In the House he stated it would be considered, but outside the House he is reported to have said in effect that no one ought to hold their breath. Those who paid $125 to attend his fund raising dinner should ask to have their money refunded.

When asked what instructions would be given to federal counsel intervening in a private action, he avoided answering the question. He called it hypothetical. Well, Madam Speaker, Bill 22 is not hypothetical. It is a reality. The problems are real. The people it affects are real. Its authoritative power is real. Its divisive quality is real indeed. In the judgment of many, it is a blot on the legislative landscape of this country. It ought to be dealt with swiftly and finally, and not allowed to linger and fester as an irritant to confederation. I have to confess that I am left with more than a lingering doubt about the political courage of the Prime Minister when he deals with the government of Quebec.

I have not met any right-thinking person who does not have a sympathetic understanding of or desire to see the French language and the French culture survive in Canada, but surely no one can agree that this ought to be at the expense of the rights of others. That is what the reaction to this bill is all about. The bill should be tested, and tested immediately, so that the question can be laid to rest, and the Prime Minister ought not hide behind the skirts of others to bring this about.

[Mr. Baker (Grenville-Carleton).]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the Canadian constitution makes it quite clear that the responsibility for passing this kind of legislation belongs to the government of Quebec, not to the government of Canada. The government of Quebec was elected in a democratic election, with one of the largest majorities that has been seen in modern Canadian political history. It is, therefore, obvious that it is acting within its legislative competence.

To deal with the other argument concerning whether the federal government ought to interfere, I would point out to the hon. member that the constitutional foundations of the legislation are apparently well based. Even more important, the basis on which that act is based is the Manitoba Act, passed in 1892 by the government of Manitoba, which at that time could not be accused of racism, at least as against English speaking people.

The government of Canada does have and does acknowledge a special responsibility toward the Indians in Quebec, particularly the James Bay Indians. Under Section 91 of the constitution of Canada, the British North America Act, the government of Canada does indeed have a special responsibility. Even more important is the fact that when the land in question was transferred to the government of Quebec in 1912, the government of Quebec did not come to a settlement with the Indians in the north. Thus, in addition to the general responsibility of the government of Canada toward the Indians of James Bay there is a particular responsibility because no land settlement had been made. It seems to me the hon. gentleman is trying to bring in through the back door of parliament something he could not bring in through the front door, namely, to argue a Quebec matter.

● (2200)

PENITENTIARIES—USE OF BURWASH INDUSTRIAL FARM AS MEDIUM SECURITY INSTITUTION

Mr. John Rodriguez (Nickel Belt): Madam Speaker, on February 14 I asked the Solicitor General (Mr. Allmand) whether he would consider upgrading the Burwash Institution at Nickel Belt to medium security status rather than spend $7 million on building a new medium security prison somewhere near Barrie. I pointed out to the minister that 200 jobs representing a $2 million payroll to the Sudbury region would be lost to northeastern Ontario. The minister's reply was very interesting and I should like to quote it:

> We have already examined this possibility with the government of Ontario. Unfortunately, it does not seem that the Burwash Institution would be satisfactory for federal needs. First of all, our policy now is to move into smaller institutions which accommodate 150 to 180 inmates. Second, we try to locate the institutions as near as possible to the major population areas from which inmates come. Our need is in southern Ontario and not in northern Ontario, because most of the inmates come from southern Ontario. For these reasons we do not feel that Burwash is suitable at the present time.

Let me deal with the first point the minister made—I am positive the parliamentary secretary will make it again tonight, namely, that the present policy is to move into smaller institutions which accommodate 150 to 180 inmates. First, let me point out that facilities at Burwash are located in three camps. The most appropriate, meeting

the department's new policy, is Camp Bison, which houses between 180 and 200 prisoners.

The minister's observation that Burwash is a rather large institution requiring a lot of work and great expense indicates that he is not aware of the situation. Yes, the Burwash Camp is old and decrepit and ought to be torn down. But the Bison Camp has excellent facilities. The provincial government has spent around $4 million over the last four years in improving those facilities. First, it built a new gymnasium at a cost of $1 million—it was opened in October, 1971. Then it built a sports building complex for $40,000, a bridge at the Bison Camp for $5,000, and a new staff quarters, constructed in 1973, for $500,000. Road servicing in the settlement cost $30,000, and an inmate visiting room was provided for $350,000.

The provincial government built an entirely new sewage complex for $1 million, and made renovations to employee homes at the settlement costing $250,000. Brand new housing for single male guards and new homes for employees accounted for a further $200,000, and it even put in a new floor in the main prison for $4,000. The Bell Telephone Company put in new cables and connections at a cost of $40,000, and an entirely new plate shop, garage and laundry were provided for a further $1 million. Heating of living units was converted from coal to oil in 1972. Indeed it also laid a new main steam pipe for $95,000, and renovated homes to provide accommodation for guards—two apartments per home—which were finished. The camp then closed and they were never occupied.

The second argument that the minister proposes is that the new policy is to locate institutions as near as possible to major population centres from which the inmates come. I would point out that Burwash is near Sudbury, North Bay, Manitoulin Island, Parry Sound, etc., and one should note that the population in this area is between 200,000 and 350,000 people. Surely this is a large enough population area.

Moreover, if the minister is sincere about closeness to the homes of the prisoners, what about those prisoners from Sudbury and surrounding districts? Obviously they are going to be rehabilitated away from the areas where they grew up if the new prison is built somewhere in southern Ontario.

The third point I should like to make, Madam Speaker, is the economic one. Burwash was the fourth largest secondary industry in the Sudbury area, and when it closed it took a severe toll on the economic life of small communities near the prison, communities such as Estaire. Property values are down 50 per cent from a year ago, and small businesses have been forced to close.

It is also of interest to point out that the people who live around the Burwash prison settlement are accustomed to the prison being within the precincts of their community and have never viewed the prisoners with any kind of distaste, or adopted an arm's length approach. I understand that in the Barrie area, where the new prison is being concentrated, many communities are up in arms at the fact that prisoners are being brought into their community.

When I listen to ministers of the government talking so sanctimoniously about wanting to develop those parts of our country that lack secondary industry and about the diversification of job opportunities, when I hear them talking about discouraging people from living in large urban centres, and when I witness decisions being made to create more jobs in large urban centres near Toronto, then I know they are either mad or hypocritical, or both.

The fact of the matter is that Camp Bison can easily be converted into a medium security prison for approximately 180 prisoners at a cost far less than $7 million of the taxpayers' money. Jobs will come to the Sudbury district. The prisoners will be close to a large urban centre, Sudbury, consisting of 90,000 persons, and which offers a university community college, several large athletic facilities and three very good hospitals.

Once again I urge the minister to review this decision. If he wishes he can send his officials to investigate the facility that I have described tonight. I am quite prepared to accompany them on such a visit. I ask him to revise the decision that has been made and to take advantage of the Camp Bison facility to establish a medium security prison in our part of the country.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the hon. member for Nickel Belt (Mr. Rodriguez) has made a powerful argument for the province of Ontario to reopen the Burwash Industrial Farm. He has indicated the amount of money that the province of Ontario has recently invested in this facility, and I think his case is certainly convincing that the provincial government ought to reopen the farm. However, he has not made the case that the federal government ought to take over the facility.

The Canadian penitentiary service has examined this possibility following an offer from the province of Ontario to sell the institution. Unfortunately its conclusion has been that Burwash would not be satisfactory for federal penitentiary needs.

It is now the policy, as the hon. member has indicated, that the Canadian penitentiary service should move into smaller institutions which will accommodate no more than 150 to 180 inmates. The service attempts to locate these institutions as close as possible to the major population centres from which the inmates come. I should point out to the hon. member for Nickel Belt, who like me is a member from northern Ontario, that our population is peace loving, does not get into trouble or require the utilization of the aforementioned service. The need for such services tends to be much more prevalent among those who come from larger centres in the industrialized east. I am sure many eastern members here would agree with those comments.

● (2210)

In any event, the other factor of considerable importance is the resocialization process which has now become a great part of the penitentiary service and which involves renewing or maintaining close family relationships, which are again facilitated by placing the prisoners in centres near their homes.

It is now the policy of the Canadian penitentiary service to house inmates of maximum, medium and minimum security risk in different institutions. Based on a study of

inmates' places of origin, it has been established that the need for federal institutions is in southern Ontario and not in the northern part of the province, for some of the reasons I gave previously.

However, following the study made by the penitentiary service regarding the possible use of Burwash, it was established that remodelling older existing facilities to meet current requirements could be just as expensive as building new facilities. If the alternative of remodelling Burwash had been accepted because of financial considerations, the location would still have been unsatisfactory.

Consequently, and after due consideration of the economic implications of the closing of this institution by the government of the province of Ontario, it has been agreed that in the best interests of the Canadian penitentiary service, its staff and particularly the inmates for which it is responsible, it was necessary to build the type of institution required closer to the geographical areas where such facilities are needed.

I might say in conclusion that if the facts are as the hon. member has indicated in his presentation, then the government still should—

The Acting Speaker (Mrs. Morin): Order, please. The time allotted for the hon. gentleman has expired.

AGRICULTURE—INEQUITY BETWEEN TARIFF ON IMPORTED CHEESE AND CANADIAN CHEESE IMPORTED BY EUROPEAN COMMON MARKET

Mr. Bill Jarvis (Perth-Wilmot): Madam Speaker, on February 6 as recorded at page 2967 of *Hansard* I asked questions of the Minister of Agriculture (Mr. Whelan) regarding the Canadian cheese industry. In doing so I pointed out that Canadian cheddar, which previously was exported to European Common Market countries in large quantity, was now facing EEC import duties of about 65 cents a pound, indeed as high as 67 cents. Therefore the volume of these cheddar exports had slowed down to a trickle.

At the same time I also pointed out to the minister that European soft cheeses were coming into Canada in large volume because our import duties, rather than being 65 cents or 67 cents a pound, were only one cent to three and a half cents per pound.

On February 6 I asked the minister what he was going to do about this apparent gross inequity. I pointed out that many Canadian cheese producers, because they are on a quota system for cheddar production, also produce specialty or soft cheeses, and the sales of these cheeses in the Canadian market have dropped drastically in volume, by as much as 25 per cent to 30 per cent in the last two months because of the inability of Canadian producers to compete with European imports in the specialty cheese market. On February 6 the minister indicated that the matter would be reviewed.

Yesterday in the House of Commons, as reported at page 3712 of *Hansard*, I asked the minister whether the matter had been reviewed and what action, if any, was being taken. The minister told us that the matter was going to be discussed in cabinet in a few days.

[Mr. Reid.]

Later during the question period yesterday the minister decided to be a little more frank with us and announced, as recorded at page 3715, that an agreement had been reached so that commencing in April and continuing until 1979 our cheddar will be allowed into the EEC without import duty. This is welcome news, not only for cheese producers but also, I suggest, for Europeans who will be able to consume the finest cheese in the world, hopefully at reasonable prices.

Unfortunately the minister did not tell us about the fate of Canadian produced specialty or soft cheeses which cannot compete here in Canada with European imports. One might be tempted to ask whether our cheese producers are less efficient than their European counterparts, but this is not the case.

What is happening is simply that European governments are paying subsidies to their cheese producers who export to Canada. Therefore Canadians must not only compete with European cheese makers, they must also attempt to compete with subsidies paid by foreign governments. I trust the minister realizes how difficult, if not impossible, is this type of competition.

I cannot emphasize too much the importance of these Canadian specialty cheeses. Generally they are produced by small companies in rural areas. In other words, I am not talking about the large companies such as Kraft. I am trying to speak for the small cheese plants throughout our country.

In Ontario, for example, a typical cheese plant cannot operate at a sufficient percentage of its capacity to be profitable if it produces only cheddar. This is because of the Ontario quota system which restricts cheddar production. In order to be efficient these small plants developed good and nourishing specialty cheeses. They made substantial investments in capital equipment and they marketed their products successfully, all without government help. As a result their plants were profitable and they provided employment in our rural areas. Now they find themselves in the serious position of not being able to compete with foreign products which have the unfair advantage of lower prices because of a foreign government subsidy.

Therefore, while I welcome the news about the lifting of European Common Market import duties on our cheddar, I cannot help but be extremely concerned about the other factor that is essential to the viability of an average small cheese plant, and that is the necessity of being able to market its Canadian specialty cheeses. It is important to realize that such plants in many cases rely on the production of both types of cheese to keep their facilities in operration. In other words, many plants would operate at a loss if they were restricted to cheddar production only.

What is particularly disturbing to me are recent news reports which indicate that it may take some time before this problem is resolved. I refer the minister to a recent feature article by James Rush in the Toronto *Globe and Mail* of February 26. One paragraph reads as follows:

> Canadian officials, however, warn that, confident as they are that some accommodation will be worked out with the community (EEC) it could still take some months to resolve the situation.

If this is an accurate view, and I have no reason to doubt that it is, there are in my opinion two danger signals. First

is the time that our officials seem to feel that it will take to work out the problem. This raises the simple question, can many of our cheese plants operate in a loss position for this period of time? Second, I would hope that our government is not concerning itself simply with the cheddar problem to the exclusion of the specialty cheese problem. I suggest to the Minister of Agriculture that the viability of many plants depends on the production of both products.

The minister is not one who is opposed to normal free trade. I point out to him, Mr. Speaker, that when a foreign government subsidizes one of its products which it is exporting to Canada, that is not free trade in the sense I understand free trade.

Third, we have had a history in certain agricultural production of cutting off our nose to spite our face. In other words, we accepted the importation of foreign products. Canadian producers could not compete with these imports and were forced out of business. One might say this was fair to the consumer. We might say a consumer is entitled to the best deal he can get in buying a certain product, whether it is produced in Canada or elsewhere. But, in the long run, it has been the consumer who has suffered, because as soon as there is no Canadian production to compete with the foreign product, the price of the foreign product goes way up and the consumer pays the inflated price. I use as obvious examples the following: the wool industry, the baler twine industry and the sugar beet industry. I only urge that the minister does not allow the Canadian cheese industry to suffer the unhappy fate of these examples I have just mentioned.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Madam Speaker, I should like to deal with two points raised by the hon. member, the question of imported cheeses for further processing and the cheddar cheese situation.

Since 1970 the government has maintained controls on imports of cheese for further processing to deal with a threat of disruption of the Canadian industry. At present no cheese for processing is allowed to enter the country with the exception of a small quantity from Finland, based on their traditional trade which existed before 1970. Cheese for direct consumption, except cheddar and colby, has been allowed to enter freely under general import permit. There have recently been suggestions that some cheese ostensibly imported for direct consumption has in fact been finding its way into processing. We are at present urgently looking into what can be done to correct this situation. When a decision has been reached the House will be informed.

I should like to elaborate a little on the cheddar cheese situation and the outcome of the successful negotiations with the European Economic Community, negotiations which were triggered by the enlargement of the EEC by the British, Danish and Irish entries, in respect of compensation for the impairment of our trading rights. These were conducted under Article XXIV:6. As the hon. member indicated, there were substantial benefits negotiated.

● (2220)

This arrangement applies to aged Canadian cheddar cheese which meets certain agreed price and quality specifications. A fixed levy will amount to 15 EEC units of account per 100 kilograms, just under 8½ cents per pound at present exchange rates. This represents a big reduction from the current basic EEC levy of 112 units of account per 100 kilograms, or approximately 67 cents per pound.

Because EEC levies are being phased in in Britain over a transitional period, the result of our special arrangement will be that no levy will apply at first, and a full levy of 15 units of account will not come into effect until 1979.

The effective date of arrangement is April 1, 1975. The trade will shortly be provided with full details of the way in which it will operate. The British market has traditionally been of major importance to Canadian cheese producers. During the period 1963 to 1972 annual exports to Britain amounted to some 28 million pounds, approximately $11.2 million in value terms. This represented about 95 per cent of total Canadian cheddar exports. Virtually no Canadian cheese has been exported to Britain since the application of the EEC variable levies two years ago.

Hon. members will recognize the important benefits negotiated by the government.

The Acting Speaker (Mrs. Morin): Order, please.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Wednesday, March 5, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT AND COMMUNICATIONS

Sixth report of Standing Committee on Transport and Communications—Mr. McRae.

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

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IMMIGRATION

ALLEGED REPRESENTATIONS BY MINISTER OF LABOUR TO FACILITATE ENTRY OF CERTAIN IMMIGRANTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek leave of the House—

An hon. Member: No.

Mr. Cossitt: —to move a motion, seconded by the hon. member for Red Deer (Mr. Towers), as follows:

That the House request the Minister of Manpower and Immigration to make a full and detailed statement as to whether the Minister of Labour made representations to facilitate the entry of Salvatore Taormina who arrived in Canada on June 5, 1968, or Silvestro Carollo who arrived in Canada on February 14, 1970, and whether his department or the Royal Canadian Mounted Police have received information about highly questionable activities engaged in by these persons prior to their entry and, if so, the nature of this information including whether or not Mafia connections were involved, the procedures used to authorize their entry and the circumstances under which they obtained landed immigrant status.

Mr. Speaker: Extending to the hon. member the benefit of the doubt regarding the provision of Standing Order 43 which requires the subject matter to be of pressing importance, while I concede the matter may be one of considerable importance it has nevertheless been outstanding since June 5, 1968, in the terms of the hon. member's own motion, and I therefore have no hesitation in saying that it lacks the element of immediate necessity required by the Standing Order.

Mr. MacKay: I also wish to raise a matter of urgent and pressing necessity—

Mr. Cossitt: On a question of privilege, Mr. Speaker, I was not a member of the house in 1968 and furthermore this is a current situation that just came to my attention. I feel that when information comes to the attention of a member of parliament—

Some hon. Members: Order.

Mr. Cossitt: I think the motion is a legitimate one.

Mr. Speaker: Order. The hon. member knows that a decision having been taken by the Chair, there is no procedure or machinery in this chamber for any appeal or discussion of the ruling. If the hon. member wishes to raise a question of privilege other than an attempt to comment on or interpret the ruling the Chair has just made, I will be pleased to hear it. Otherwise, I cannot hear him at this time.

Mr. Cossitt: I would not dare question your ruling, Mr. Speaker. My question of privilege is this: I feel that if a member comes into possession of information on a matter which he feels should be brought to the attention of the House, it is his privilege to do so. That is why I raised the matter at this time. I bow to your ruling and I do not, therefore, pursue the argument that it is not a matter of urgent and pressing necessity. I think, with respect, that the matter is of some urgency.

* * *

● (1410)

EXPORT DEVELOPMENT CORPORATION

FINANCIAL ASSISTANCE ACCORDED MARINE INDUSTRIES LIMITED—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity under Standing Order 43. In view of the continuing substantial financing of Marine Industries Limited through the auspices of the Export Development Corporation, specifically the most recent announcement of a $265 million contract involving this organization, one of the firms being under RCMP investigation because of alleged irregularities, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the Minister of Industry, Trade and Commerce on motions, at the first opportunity, set out in more complete detail all the phases of the financial dealings and arrangements, over the last five years, between Marine Industries and the federal government.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43. It cannot be put or debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

EXTERNAL AFFAIRS

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY—REQUEST FOR INQUIRY INTO GRANTING OF CONTRACT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss a very important and urgent matter.

Considering that a large contract for the establishment of a telecommunication system for radio and television in Zaire has been granted by CIDA to the Sintec Company, a concern whose existence was made public during the hearings of the Cliche Commission and which is now on the verge of bankruptcy; considering that some individuals have surfaced in this affair, especially René Mantha, former trade unionist, who was expelled from the James Bay working site and prosecuted, and who is also a Liberal organizer, a partner and employee of Sintec for the CIDA contract in Zaire, an undertaking of which the present Liberal member for Laporte, Mr. André Déom, is president and founder, Mr. Gilles D. Bergeron a director, also a former deputy minister of Social Affairs who was compelled to resign a few years ago as a result of an extensive system of forged social security cheques, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That the House discuss immediately all the circumstances surrounding the grant by CIDA of that important contract to the Sintec Company and to all those fine people, so as to shed light on tenders involved as well as on the identity of the signers for the department and the company, including full particulars on the entire matter.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

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AGRICULTURE

SUGGESTED MEASURES TO REDUCE PRICE OF MILK—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the terms of Standing Order 43, I request unanimous consent of the House to discuss an important and urgent matter that affects all Canadians.

Since the price of milk has increased dramatically recently, more specifically six times in 14 months, since milk is an essential food for children, and since a family that consumes four quarts of milk daily spends over $250 annually because of the unduly high price of milk, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House study the means to roll back the price of milk and other essential foods to a more acceptable level, in order to allow all Canadians, regardless of their income, to have access to those food products that are essential to a balanced diet, and this through reinstating the subsidies on whole milk.

Mr. Speaker: The House has heard the motion of the hon. member. Under the terms of Standing Order 43, this motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

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THE CANADIAN ECONOMY

PROPOSED GUARANTEED ANNUAL INCOME AND RETAIL DISCOUNTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to discuss a matter of pressing and urgent necessity.

Considering that the 1.3 per cent decline in our Gross National Product over the last three months of 1974 is certainly the worst recorded since 1960-61, and considering that any such decline reflects a falling off of our productive capacity, I move, seconded by the hon. member for Témiscamingue (Mr. Caouette):

That this House look into the possibility of setting up a guaranteed annual income scheme for all Canadians, as well as a consumer price compensated discount program, as incentives to the lagging Canadian economy, as evidenced by the most recent GNP figures, and to prevent the battle against inflation from being fought at the expense of small Canadian taxpayers.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 288, 372, 484, 792, 869, 903, 912, 968, 1,031, 1,037, 1,127, 1,145, 1,158, 1,235, 1,236, 1,345, 1,354, 1,443, 1,462, 1,513, 1,543, 1,554, 1,560, 1,594 and 1,698.

Mr. Speaker, if questions Nos. 46, 51, 54, 55, 256, 284, 325, 354, 396, 413, 555, 618, 620, 647, 1,035, 1,096 and 1,741 could be made orders for returns, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred questions Nos. 920, 1,441 and 1,444?

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

[*Text*]

NATIONAL DEFENCE—MILITARY PERSONNEL STRENGTH

Question No. 288—**Mr. McKinnon:**

1. What was the strength, as of October 1, 1974, of the Armed Forces?

2. Is there a floor strength below which the Minister does not intend to let the strength of the Forces sink and, if so, what is it?

3. How many men, by ranks, took their voluntary release before retirement age in the period April 30, 1973 to April 30, 1974?

Hon. James Richardson (Minister of National Defence): 1. The strength of the Canadian Forces as of October 1, 1974 was: 78,154.

2. The overall strength and military capacity of the Canadian Armed Forces is made up by a combination of numbers of personnel, quality of equipment and the amount of funds available for operations. It is the intention to maintain and, whenever possible, to improve the military capability of the Armed Forces. It is the government's policy that the Canadian Armed Forces continue to perform all four of the main roles as set out in the White Paper on Defence in the 70's.

3. The number of personnel who elected to take voluntarily release before retirement age, during the period April 30, 1973 to April 30, 1974 was 4,716. The numbers by rank are as follows:

Officers		Other Ranks	
Major-Generals	1	Chief Warrant Officers	56
Brigadier-Generals	7	Master Warrant Officers	169
Colonels	21	Warrant Officers	240
		Sergeants	456
Lieutenant Colonels	40	Corporals	1,153
Majors	111	Privates	1,907
Captains	324		
Lieutenants	114	Total	3,981
Officer Cadets	117		
Total	735		

AGRICULTURE—NEW FEED GRAINS POLICY

Question No. 372—**Mr. Dick:**

Did the government under the Department of Agriculture and the Minister responsible for the Canadian Wheat Board advertise extensively in weekly newspapers under the heading "New Feed Grains Policy" in June and July, 1974 and, if so, in which newspapers was this advertisement (a) placed in the week of (i) June 17, 1974 (ii) June 24, 1974 (iii) July 1, 1974 (iv) July 8, 1974 (b) what advertising agency made the arrangements for placing this ad (c) what fee did the advertising agency receive for its work (d) who prepared the copy for this advertisement (e) how much did it cost the government for this advertisement?

Hon. E. F. Whelan (Minister of Agriculture): Yes. Agriculture Canada conducted an advertising program for the department and the Minister responsible for the Canadian Wheat Board to disseminate information about the federal government's New Feed Grains Policy. (a) (i) to (iv) During the period of June 17 to July 8, 1974, advertisements were placed in 548 weekly newspapers and weekly farm publications. (b) None. (c) Not applicable. (d) Agriculture Canada personnel. (e) Advertisement costs totalled $65,120.88.

ASSISTANCE TO UNITED AIRCRAFT COMPANY

Question No. 484—**Mr. Broadbent:**

1. What were the amounts received by the United Aircraft Company under the Training in Industry Programme for the fiscal years 1973-74 and 1974-75?

2. What amounts did this Company receive in DREE grants for the fiscal years 1971-72 to 1974-75?

3. How much did this Company receive under the Industrial Research Assistance Programme for the fiscal years 1973-74 and 1974-75?

4. What were the amounts of any grants to this Company under PAIT?

5. What is the amount of any grant to this Company under the DIR Programme for the fiscal year 1974-75?

6. How much did this Company receive under the DIP Programme for the fiscal years 1971-72 to 1974-75?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Manpower and Immigration and Regional Economic Expansion, the National Research Council, and the Departments of Industry, Trade and Commerce and National Defence as follows: 1. Amounts received by the United Aircraft Company under the Training-in-Industry Program: 1973-74-$76,066.21; 1974-75-$1,575.71.

2. United Aircraft, in the fiscal year 1971-72 accepted an offer under the Regional Development Incentives Act for $44,000 in connection with an expansion of its aircraft engine plant in Montreal. The amount paid to the company to September 30, 1974 is $24,730.

3. 1973-74, $35,208; 1974-75, Nil as of October 16, 1974.

4. Nil.

5. For the fiscal year 1974-75, the Defence Industrial Research program allotted $569,566 to United Aircraft of Canada in partial support of six research projects related to gas turbine technology.

6. 1971-72, $6,685,897; 1972-73, $11,972,041; 1973-74, $11,712,325; 1974-75 to December 31, 1974, $2,054,326; Total $32,424,589.

Order Paper Questions

NATIONAL DEFENCE—MANPOWER STRENGTH 1944-1974

Question No. 792—**Mr. Hnatyshyn:**

1. What was the total enrolment of the Canadian Armed Forces (active) during the years 1944, 1953, 1970, 1971, 1972, 1973 and as of July 1, 1974?

2. In each year (a) what were the numbers of officers holding the rank or equivalent rank of Brigadier or higher (b) what were the numbers of non-commissioned personnel?

Hon. James Richardson (Minister of National Defence): 1 and 2. (a) and (b). The total enrolment of the Canadian Armed Forces (active) for years in question, the number of officers holding the rank or equivalent rank of Brigadier or higher and the number of other ranks (non-commissioned personnel) are listed below:

Year	Total Enrolment	General Officers	Other Ranks
1944	787,475	195	709,702
1953	104,427	84	88,648
July 1, 1970	89,558	106	73,900
July 1, 1971	85,795	100	70,895
July 1, 1972	82,200	98	67,487
July 1, 1973	80,530	99	65,878
July 1, 1974	79,383	107	64,820

DEPARTMENT OF AGRICULTURE—TRANSLATION OF DOCUMENTS

Question No. 869—**Mr. McKenzie:**

1. What documents of any and all description (such as any type of form, records, stationery, employee directives, etc.) within the entire Department of Agriculture have to be translated into the French language?

2. Retroactive to what date will all past records of the Department have to be translated?

3. At what date must all of these translations be completed?

4. What amount of money was spent in the years 1973 and 1974 for translating such documents?

5. What will be the total cost of translating all existing documents, forms, stationery, records, etc. within the Department's entire operation?

6. What is the total additional yearly cost of ordering all new forms, stationery, etc. in two languages compared to the cost in one language?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Agriculture and the Secretary of State as follows: 1. All documents of the department are translated into French or English in accordance with the policy statements on bilingualism and biculturalism which have been issued since the government's initial statement, dated April 6, 1966.

2. Past records are translated in accordance with the policy statements as well as in accordance with the requirements of specific projects.

3. Bilingual forms for external use have all been designed and printed in the two official languages. Target dates for the translation of internal forms and manuals are: Forms, March, 1976; Manuals, December, 1975.

4. It is difficult to provide a precise answer to the question in terms of the Department of Agriculture, since, in order to achieve greater efficiency, the Government of Canada has consolidated all translation, interpretation and terminology services under a single administration, designed to serve all the departments and public bodies which depend on them. Costs are not apportioned according to the types of activities mentioned above. However, the total demand for translation as represented by the number of words is available for the years 1972-1973 and 1973-1974. The production in words for 1972-1973 was 3,318,545; for 1973-1974 it was 2,950,327. On the basis of an analysis of operating costs for the Translation Bureau, the total operating costs are estimated at about ten cents per word for the two years in question.

5. Information not available.

6. $60,000 (estimated).

PARTICIPATION BY MINISTERIAL ASSISTANTS IN PUBLIC DISCUSSIONS

Question No. 903—**Mr. Clark (Rocky Mountain):**

1. From 1968 to the present, on how many occasions has a Deputy Minister, Under-Secretary, Assistant Deputy Minister, or Assistant Under-Secretary delivered a speech prepared originally for delivery by a Minister and, in each case, what was (a) the name of the official (b) the date of the speech (c) the subject of the speech (d) the audience to whom the speech was delivered?

2. From 1968 to the present, has any Deputy Minister, Under-Secretary, Assistant Deputy Minister, or Assistant Under-Secretary participated in any public seminar or other formal public discussion concerning questions of policy and, in each case, what was (a) the name of the official (b) the date of the participation (c) the topic of the seminar or discussion (d) the group sponsoring the seminar or discussion?

3. Does the government have a policy regarding the participation of a Deputy Minister, Under-Secretary, Assistant Deputy Minister, or Assistant Under-Secretary in public discussion of policy matters and, if so, what is that policy?

Hon. Mitchell Sharp (President of the Privy Council): 1 and 2. Detailed records are not available. On occasion officials have given background information on Throne Speeches, legislation press briefings, etc.

3. Parliamentary government requires that ministers be accountable in principle for the actions of their deputy and assistant deputy ministers (under-secretaries and assistant under-secretaries), as for all public servants, in relation to the discharge of their official responsibilities without removing from such persons their personal accountability for their actions. By reason of this general ministerial accountability, it is for each minister to decide the extent to which his senior officials will participate in the public discussion of policy matters. A deputy or assistant deputy minister or another public servant would not normally publicly discuss a policy matter without the knowledge and approval of his minister.

RENOVATION OF DE LASALLE PROPERTY ON SUSSEX DRIVE, OTTAWA

Question No. 912—**Mr. Gauthier (Ottawa-Vanier):**

1. What is the allotment of appropriations for (a) land acquisition (b) building renovation (c) new construction and furnishings of the De LaSalle property on Sussex Drive, Ottawa, which will house the Ministry of State for Urban Affairs?

[Mr. Sharp.]

2. At what stage is the project in terms of completion and what is the intended date of occupancy by the Ministry?

3. Has the Department of Public Works expropriated or does it intend to expropriate any adjoining properties and, if so, which one and on what date?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Public Works and Urban Affairs as follows: 1. (a) and (b) It is estimated that the total cost of this particular project will be $8,500,000. A breakdown of this amount is as follows: Acquisitiion of Property, $1,400,000; Renovation and Restoration, $4,850,-000; Construction—New Office Wing and Heating and Cooling Facility, $2,250,000. The 1974-75 appropriations to date total $5,388,000. The balance will be sought in future appropriations. (c) Furnishings—In keeping with approved policy for the restoration of the LaSalle property, $33,190 has been set aside for the purchase of period furniture for the furnishing of the Bishop's Palace. This part of the LaSalle property will accommodate the Minister and his staff. All other staff of the Ministry of State for Urban Affairs will be moving with their existing furniture.

2. The project is 50 per cent complete and occupancy is scheduled in two phases for June 15, 1975 and December 31, 1975.

3. The Department of Public Works has not expropriated and has no plan at this time to expropriate any properties for this project.

*PLANS FOR SURFACE CAPABILITY IN CANADIAN ARCTIC ARCHIPELAGO

Question No. 920—**Mr. Forrestall:**

1. Was a curtailment of aerial surveillance by the government of the Canadian North recently announced and, if so, will the plans for surface capability in the Canadian Arctic Archipelago on a twelve month a year basis be accelerated?

2. (a) Do these plans include the construction of icebreakers with true polar capability (b) do they still provide for the 60 to 90 day capability possible with the R Class vessels?

3. If the plans for surface surveillance in terms of vessels with ice-breaking capability do not include vessels with greater capacity than the R Class proposed, how does the government with no sub-surface, reduced aerial and 60 to 90 day surface capability intend to maintain mobile presence above 60 degrees?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am informed by the Departments of National Defence and Transport as follows: 1. No announcement was made concerning curtailment of aerial surveillance of the Canadian north. However, in response to questions in the House of Commons the reduction in the number of flights was explained, see *Hansard* No. 35, page 1443, dated Nov. 19, 1974 and *Hansard* No. 36, page 1489, dated Nov. 20, 1974.

2. (a) There are no firm plans to build icebreakers with true polar capability at this time although a contract has been awarded for the design of such a vessel should a firm requirement develop. (b) Yes.

3. Canadian presence is maintained above 60° latitude by aerial surveillance on a regular basis and by the presence of naval ships during the navigation season such as the surveillance and training mission by the destroyers Assiniboine, Saguenay and the supply ship *Preserver* through the Hudson Straight into Hudson Bay last August. The department is examining additional methods of maintaining surveillance north of 60° latitude and will be seeking government approval for an enlarged presence in the high Arctic by the Canadian Armed Forces.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, in utilization of the ammunition you gave us the other day in terms of a vehicle to express grievances, I rise on a question of privilege to express my regret that it has taken the government since late last October or early November to respond to this question which in fact is a starred question and quite properly should be responded to within a week or ten days.

NATIONAL DEFENCE—REDUCTION OF CANADIAN ARMED FORCES

Question No. 968—**Mr. Forrestall:**

Is the decision to reduce Canadian Armed Forces levels a reversible one and (a) if so, under what circumstances can it be reversed (b) if not, for what reason?

Hon. James Richardson (Minister of National Defence): The overall strength and military capability of the Canadian Armed Forces is made up by a combination of numbers of personnel, quality of equipment, and the amount of funds available for operations. It is the intention to maintain and, whenever possible, to improve the military capability of the armed forces. In this sense any reduction in overall strength is reversible. It is the government's policy that the Canadian armed forces continue to perform all four of the main roles as set out in the White Paper on Defence in the 70's.

LIP—APPROVAL OF PROJECTS

Question No. 1,031—**Mr. Cossitt:**

1. Does a letter dated November 20, 1972 to the Honourable Robert Andras, Minister of Manpower and Immigration and signed by the Honourable Jack Davis, Minister of the Environment at the time, state as follows in regard to the Local Initiatives Programme "as the Minister with the responsibility to review these projects for British Columbia, I ask that no project be given final approval until clearance has been obtained from this office"?

2. Does a letter, dated December 6, 1972, from the Honourable Robert K. Andras state in part "certainly my office will make every effort to ensure you are properly consulted on LIP projects in British Columbia ..."?

3. (a) How many Local Initiatives Programme applications were referred in any way for examination or approval to the Honourable Jack Davis or his office when he acted as Regional Minister for British Columbia in connection with the LIP Programme (b) how many projects did Mr. Davis or his office (i) approve (ii) not approve?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Yes.

2. Yes.

3. (a) Mr. Davis would have been in a position to comment on 1,640 projects. (b) Not applicable. The final authority for approval rested, as always, with the Minister of Manpower and Immigration.

Order Paper Questions

LIP—APPROVAL OF PROJECTS

Question No. 1,037—**Mr. Cossitt:**

With reference to the memo dated January 25, 1973, signed by Mr. J. M. DesRoches, Deputy Minister of Manpower and Immigration, and addressed to the Minister of Manpower and Immigration, saying in part with reference to the Local Initiatives Programme "no project is approved without concurrence of the Regional Minister" (a) what are all the reasons the so-called Regional Ministers were given such veto power (b) for what reason was the existence of the Regional Ministers never made known to all Members of Parliament (c) was such information to Members of Parliament withheld because of political manipulation of the Local Initiatives Programme which the Minister did not wish to disclose to Parliament and, if so, will the Minister now disclose full details of such political manipulation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): (a) See sessional paper 291-2-2319, tabled in the House of Commons on September 5, 1973 (b) The existence of Regional Ministers was made known with specific reference to the Local Initiatives Program, in Sessional Paper 291-2-2319 which was tabled in the House of Commons on September 5, 1973 (c) Not applicable. See above.

UNIT OF CBC TELEVISION CREW TO BROCKVILLE AND LEEDS

Question No. 1,127—**Mr. Cossitt:**

1. (a) What are all the reasons that a visit is to be made to Brockville and Leeds on or about December 19, 1974 by a CBC television crew (b) what is the identity and job designation of all persons instructing this crew to make any kind of survey in regard to the promotion of French language television for viewers in English speaking Leeds?

2. (a) What is the identity and job designation of the persons at the highest level involved in the decision to take this action (b) is the Secretary of State aware of this situation and was he involved in the decision (c) were any representations towards taking this step made by any other member of the Cabinet or by the Prime Minister or anyone acting on their behalf?

3. (a) What is the estimated cost of this project (b) how many TV personnel will be involved (c) what are the names of all those who will be involved and what are their job designations and annual salaries?

4. (a) What are the names of all persons that have been contacted, or will be contacted, for interviews on this subject in Leeds (b) how many of these contacts were made by a Mr. Brickenden (c) what is Mr. Brickenden's position with CBC (d) who instructed him to make such contacts?

5. Is this incident part of a government decision to speed up implementation of bilingualism in English speaking areas of Canada?

Hon. James Hugh Faulkner (Secretary of State): In reply to Parts 1, 2, 3 and 4. I am informed by the Canadian Broadcasting Corporation as follows: 1. No CBC crew visited Brockville and Leeds on or about December 19, 1974, for any reason.

2 and 3. Not applicable.

4. (a) Public relations visits are being made to six communities in south east Ontario including Brockville in connection with the extension of CBC English and French coverage under the Accelerated Coverage Plant. Various members of the communities were contacted, but the CBC wishes to respect the privacy of the individuals concerned in such contacts. (b) All contacts were made by Mr. J. S. Brickenden. (c) Public Relations Officer. (d) Manager, Public Relations, Toronto Region.

5. No.

[Mr. Andras.]

PRIME MINISTER'S LIMOUSINE

Question No. 1,145—**Mr. Cossitt:**

1. (a) On what date did the Prime Minister cease using the 1973 Cadillac purchased for him from public funds (b) what was the total mileage on the vehicle at the time (c) for what reason was it considered obsolete after only two years and what are the names and addresses of all persons suggesting, recommending or in any way whatsoever advocating that a 1975 Cadillac should be purchased for the Prime Minister's use from public funds to replace the 1973 vehicle?

2. On what date did the 1975 Cadillac go into service and (a) what was its cost (b) what was the cost of the basic vehicle (c) what is the complete list of every extra installed along with the cost in each case?

3. Were tenders called for the 1975 Cadillac and (a) if so, what were all the tenders received (b) if not, for what reason (c) from whom was the vehicle purchased, including the name and address of any automobile dealer receiving a commission or in any way involved in the purchase?

4. How many persons will the 1975 Cadillac seat and what are all the reasons that the Prime Minister requires a car of such size for his personal use?

5. (a) What is the colour of the 1975 Cadillac and was one of the reasons for replacing the 1973 black-coloured Cadillac that the Prime Minister and his family did not like its colour (b) to whom and by whom were any such colour complaints made (c) for what reason was the 1973 vehicle not repainted another colour to avoid the expense of a new automobile?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of the Solicitor General (Royal Canadian Mounted Police) and Supply and Services as follows: 1. (a) December 9, 1974. (b) 19,390 miles (31,024 kilometres). (c) The vehicle was not considered obsolete and the purchase of a second limousine was part of the original plan to have two special limousines due to a specific requirement for State and VIP visits without having to deprive the Prime Minister of his vehicle which he requires for security reasons. On occasion when Heads of State/Governments are required to visit another major city, i.e. Toronto, Vancouver and Winnipeg, departures and arrivals often have to be delayed in order that the single vehicle can be transported by air from one city to another. This creates unnecessary confusion and delay on the principal's part. On occasion, vehicles have been required at separate locations simultaneously due to the nature and high security involved in simultaneous visits. Under the previous system, with only one vehicle, it necessitated a decision as to where to put the vehicle. Should an incident have occurred, it would have had serious repercussions to the Government. The R.C.M.P. recommended the purchase of the second limousine.

2. December 9, 1974. (a) $83,530.94. (b) $13,413.34 (including factory options). (c) The following factory options were installed on the vehicle, however, individual prices are not available as they were included in the General Motor's price: Basic Vehicle: Cadillac, 1974, Model Fleetwood 75, 6DF33. Options: Standard air conditioning; Colour: Georgian Silver No. 13; Tires: WSW (5) 8.90 x 15 8 pr. "D" included in SRX-26; Power door locks; Lamp monitoring system; Opera lamps; Steering wheel—tilt and telescopic; Licence plate frames front and rear; Front and rear AM/FM stereo signal seeking radio with controls in rear compartment. To be equipped with a power antenna on right hand front fender as near as possible to the windshield; Trim: Standard black leather front compartment. 725 medici blue in passenger compartment; Bumper: special with impact strips; Glass to have standard configura-

tion but to be clear not shade-lite; 145 amp. delcatron—SRX. 24. In addition, special security equipment, which cannot be publicized for security reasons, was installed at a cost of $70,117.60.

3. No. (a) Not applicable. (b) The only known commercially available chassis that met security requirements was the Cadillac Fleetwood manufactured by General Motors. (c) General Motors of Canada Ltd., Oshawa, Ontario. No dealer received a commission or participated in the transaction for the purchase of the basic Cadillac.

4. The vehicle, which will seat five, is required for the reasons outlined in paragraph 1(c).

5. (a) Silver-grey. There is no indication the Prime Minister or his family objected to the colour of the 1973 Cadillac. (b) No complaints were made. (c) The colour of the 1973 Cadillac was not a factor when considering the purchase of a second security limousine.

PRIME MINISTER'S TRIP TO SASKATCHEWAN

Question No. 1,158—**Mr. Cossitt:**

1. In regard to the Prime Minister's recent trip to Saskatchewan to address the Saskatchewan Liberal Association (a) what means of transportation to Saskatchewan did the Prime Minister use (b) did he travel on a government owned aircraft and, if so, what is the description of the aircraft (c) was the cost of any aspects of his trip to Saskatchewan paid for by public funds and, if so (i) what were the items involved (ii) what was the cost in each case?

2. Will the Prime Minister cease using government owned aircraft for political and personal purposes and (a) if so, on what date (b) if not, for what reason?

3. (a) What are the names and job designations of any government employees travelling to Saskatchewan with the Prime Minister (b) what are all the reasons justifying such persons who are paid from public funds attending political meetings sponsored by the Liberal Party (c) were they paid their usual salaries from public funds for the time spent in attendance at this Liberal Party gathering or with the Prime Minister in Saskatchewan?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Transport and the Prime Minister's Office as follows: 1. (a) Government aircraft. (b) Ministry of Transport Jetstar CF-DTX. (c) Ministry of Transport total cost—approximately $4,500 consisting of:

(i) Items	(ii) Costs
Fuel	approx. $1,715
Flight crew expenses	approx. $ 225
Other aircraft operational costs	approx. $2,560
	Total $4,500

In so far as the Prime Minister is concerned, yes:
(i) Travel expenses (ii) $643.12

2. See page 8618, House of Commons Debates, Volume 117, Number 189, 1st Session, 29th Parliament and page 2136, Volume 118, Number 50, 2nd Session, 29th Parliament.

3. (a) Robert Murdoch, Executive Assistant; Courtney Tower, Assistant Press Secretary; Michel Rochon, Director of Policy; Kent Jespersen, Special Assistant; James Moore, Special Assistant; Ralph Coleman, Press Assistant. (b) The travel involved visits to both Winnipeg and Regina during which the Prime Minister kept an engagement to attend and speak at a civil Centennial banquet in Winnipeg, and held discussions in Regina with two groups of leading Saskatchewan farmers and businessmen. Members of his staff were present in their normal support functions. (c) Yes, also see (b) above.

RACE TRACK SUPERVISION REGULATIONS

Question No. 1,235—**Mr. Bawden:**

1. For what reason were sections 211, 213, 214 and 215 of Part V of the Race Track Supervision Regulations governing the use of narcotics, unacceptable medications or other stimulants, as approved in 1973, not enforced during the 1973 and 1974 horse racing seasons?

2. Will these sections of Part V of the Race Track Supervision Regulations, or others similar to them be in effect during the 1975 racing season?

3. Does the government intend to introduce legislation making it an offence any time a jockey or driver is involved in a conspiracy to "fix a race" with any other persons having access to an entered horse, in the use of narcotics, unacceptable medications, the use of electric battery or stimulating device?

4. Will Royal Canadian Mounted Police Officers supervise operations at Canadian race tracks during the 1975 racing season to ensure all government racing regulations are complied with?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by Agriculture Canada and the Royal Canadian Mounted Police as follows: 1. These sections of the regulations were revoked on June 15, 1973.

2. These former sections of the regulations are being reviewed in consultation with the Provincial Racing Commissions.

3. No. Legislation currently exists under the Criminal Code.

4. At present, the R.C.M.P. is committed to provide one member for each racing circuit in Canada.

PUBLIC WORKS—PROJECTS IN HUMBER-ST. GEORGE'S-ST. BARBE

Question No. 1,236—**Mr. Marshall:**

What projects were carried out by the Department of Public Works in the constituency of Humber-St. George's-St. Barbe during 1973-74 and what were the costs involved?

Hon. C. M. Drury (Minister of Public Works): The locations, descriptions and related costs of projects carried out by the Department of Public Works in the constituency of Humber-St. George's-St. Barbe during 1973-74 are as follows:

Location	Project	Cost in $
St. Barbe	Wharf Repairs	10,984
Stephenville	Federal Building	621,900
Bird Cove	Wharf Repairs	7,345
Cox's Cove	Wharf Repairs	9,979
Fort Aux Choix	Wharf Improvements	127,555
Stephenville	Wharf Repairs	71,141
Black Duck Cove	Wharf Repairs	20,296
St. Paul's	Shipway Repairs	4,329
Pond Cove	Wharf Repairs	5,675
Plum Point	Wharf Repairs	19,136
Cow Head	Breakwater Repairs	600

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Location	Project	Cost in $
Blue Cove	Wharf Repairs	4,500
Benoit's Cove	Wharf Repairs	6,300
Norris Point	Wharf Repairs	1,410
Sandy Cove	Wharf Repairs	9,357
St. George's	Wharf Repairs	5,265
Corner Brook	Renovations Fed. Bldg.	18,284
Corner Book	Renovations 2nd Floor Plumbing Fed. Bldg.	4,265
Corner Brook	Renovations Fed. Bldg.	58,984
Deer Lake	Cleaning P.O. Bldg.	6,120
St. George's	Cleaning P.O. Bldg.	3,360
Stephenville Crossing	Cleaning P.O. Bldg.	3,792
Port Au Port	Cleaning P.O. Bldg.	3,120
Corner Brook	Renovations OOC Bldg.	6,855

The following projects were carried out for other government departments:

Location	Project	Cost in $
St. Barbe	Wharf Reconstruction	284,202
Brig Bay	Wharf Repairs	64,376
Cooks Harbour	Wharf Reconstruction	168,799
Bear Cove	Groyne Repairs	13,990
Cox's Cove	Wharf Extension	46,771
Flower's Cove	Community Stage	159,945
Trout River	Breakwater Repairs	23,328
Gros Morne National Park	Paving Highway 73	886,905

PUBLIC SERVICE—NUMBER OF EMPLOYEES IN RECEIPT OF SALARIES IN EXCESS OF $25,500

Question No. 1,345—**Mr. Orlikow:**

How many people in the Public Service, excluding those in the SX salary range, are earning salaries equivalent to or more than $25,500, which is the minimum SX 1 salary?

Hon. Jean Chrétien (President of Treasury Board): As of September 30, 1974, 3,307 public servants, including those in levels of groups deemed to be equivalent to Senior Executive Officer levels, earned salaries equivalent to or more than $25,500 per annum.

STOL FARES FOR PUBLIC SERVANTS AND MEMBERS OF PARLIAMENT

Question No. 1,354—**Mr. Huntington:**

What is the cost to the Federal Treasury (a) for the year ending March 31, 1974 (b) for the period April 1, 1974 to December 31, 1974 for fares on STOL for federal employees and Members of Parliament?

Hon. Jean Marchand (Minister of Transport): The commercial STOL service for farepaying passengers started in July 1974. There were, therefore, no expenditures for fares of federal employees in the year ending March 31, 1974. Reports kept since the start of commercial services to December 31st, 1974, indicate that 4,400 tickets were purchased through Central Travel Services for federal employees. This represents about 12 per cent of the tickets purchased. The cost was about $90,000 to the federal treasury. Federal employees and members of parliament can, however, also purchase tickets directly from the STOL carrier, Airtransit as private citizens or for business reasons. It is estimated from spot surveys that another 6,800 trips were made by people who, when surveyed, described themselves as government employees, in addition to those above. If these are included, some 30 per cent of the trips were made by government employees. This would represent an additional cost of about $140,000. Some of this amount may have been claimed as travel expenses from the federal treasury.

*GOVERNMENT INVESTMENT IN CANADA DEVELOPMENT CORPORATION

Question No. 1,441—**Mr. Rynard:**

1. Has the government, as the sole common shareholder of the Canada Development Corporation, already invested in the order of $400 million in cash and assets in the Corporation without commitment for interest of dividends and, if so, what is the mechanism for management and performance accountability imposed by the government on the Corporation?

2. Is the objective of the Corporation to develop Canadian-controlled and Canadian-managed corporations and operate profitably and in the best interests of the shareholder and, if so, on what policy basis has almost 90 per cent of all cash invested so far by the Corporation been utilized to acquire shares of, or interests in, foreign corporations and businesses?

3. Has the permanent head office of the Corporation been established in western Canada and, if so, how many full time operating officers or staff are employed in the Vancouver head office and how many are employed in other operating centres?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the answer to this question is somewhat lengthy. I have provided a copy to the hon. member for Simcoe North (Mr. Rynard) and I wonder if it could be taken as read.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Editor's Note: The answer is as follows:*]

1. The government has purchased $250 million of common shares of the Canada Development Corporation for cash and has also sold to the CDC the former Polymer Corporation Limited for CDC common shares. These common shares entitle the government to receive any dividend declared by the corporation. The declaration of dividends is the responsibility of the CDC board of directors. The board has not yet considered it advantageous to declare a dividend. The government appreciates and shares the view of the CDC board that at this early stage in the life of the corporation it has been beneficial to both the CDC and the government as a shareholder to keep the earnings invested in the corporation. Two senior government officials are ex officio members of the CDC board of directors and the Minister of Finance currently elects the balance of the board of directors at the annual shareholders meeting. This enables the government to effectively monitor the management and the performance of the corporation.

2. Pursuant to the CDC Act, the corporation's objectives are to help develop and maintain strong Canadian-controlled and Canadian-managed corporations in the private sector of the economy, and to operate in anticipation of

profits and in the best interests of shareholders. I think that the CDC's resources have effectively been used in order to achieve these objectives. The purchase of a 30% interest in Texasgulf incorporated at a cost of 271 million dollars to this time represents the CDC's major cash investment. Although incorporated in the United States Texasgulf donives about two thirds of its revenue from Canadian operations and is planning major additional investments in Canada which will develop Canadian natural resources. Through Polysar, which was acquired by means of an exchange of shares rather than for cash, the CDC is further investing substantial amounts of funds to build a Canadian petrochemical plant which will be comparable in size to the larger ethylene producing plants in the world. This new petrochemical complex represents an investment in excess of 400 million dollars. The establishment of Connlab Holdings Limited in which the CDC has already invested 35 million dollars represents an attempt to create a major Canadian controlled and managed company in the health care field. The CDC has also invested over 10 million dollars in three Canadian venture capital firms, helping to create two of those in Vancouver and Montreal. The corporation is also a partner in the group planning the development of the Mackenzie Delta gas pipeline. From the preceding it is clear that the CDC's investments have been undertaken in furtherance of its major objectives.

3. The CDC's head office has been established in Vancouver. The full time operating officers or staff amount to seven in the Vancouver head office and seventeen in the other operating office in Toronto.

MONCTON AIRPORT—PLANS FOR IMPROVEMENT

Question No. 1,443—**Mr. Jones:**

1. What plans are there for the enlargement and improvement of passenger and baggage facilities, as well as terminal facilities, at the Moncton Airport?

2. Has consideration been given to require Air Canada and Eastern Provincial Airlines to improve air service in and out of Moncton, the transportation centre of Atlantic Canada, to meet the needs of the Maritime Central Region, where the greatest density of population exists in the Maritime Region, Moncton being the centre of the region?

Hon. Jean Marchand (Minister of Transport): 1. Future requirements regarding all facilities at Moncton Airport are being evaluated in context of a master plan development project due for completion later this year.

2. Following the CTC Hearings immediate arrangements were made between Air Canada and Eastern Provincial Airways to improve services between inter-city pairs in the Atlantic provinces. The federal/provincial committee on Atlantic region transportation is currently conducting a study in conjunction with the airlines to further improve inter-city services. The recent announcement by Eastern Provincial Airways to acquire three of the Canadian built Dash 7 aircraft will further enhance communications between centres in the Atlantic provinces.

Order Paper Questions

*3 PER CENT PERPETUAL BONDS

Question No. 1,444—**Mr. Rynard:**

1. As of January 1, 1975, how many 3 per cent perpetual bonds were still held by the original holders?

2. What percentage of the original bonds issued in 1936 have been cashed?

3. Is consideration being given by the government to pay off these perpetual bonds?

4. What is the purchasing power of today's dollar as compared with the 100 per cent invested in 1936?

5. How many of these perpetual bonds are privately held?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the answer to this question is as follows: 1. Approximately 1.7 per cent or $561,000 of the registered 3 per cent perpetual bonds are still held by the original holders.

2. None of the original bonds have been cashed. The original $55 million is still outstanding.

3. The government has for some time been seeking an equitable solution to the problems posed by the 3 per cent perpetual bonds.

4. The purchasing power of today's dollar is 72% less than a 1936 dollar.

5. 48 per cent of the outstanding registered bonds are held by individuals and estates.

ELECTRIC POWER SUPPLY IN ATLANTIC PROVINCES

Question No. 1,462—**Mr. Howie:**

Is consideration being given to taking any steps to provide heavy transmission lines and facilities to assure adequate power supplies at the lowest possible price throughout the Atlantic Provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes. In recent months the federal government has taken the following actions to assist electric power supply in the Atlantic provinces. (1) An offer to New Brunswick to finance up to 50 per cent of the cost of a 600,000 kilowatt nuclear reactor. (2) An $18 million grant and a loan of up to $9 million to establish a cable interconnection between the power systems of Prince Edward Island and New Brunswick. (3) A loan of up to $343 million towards the cost of a high voltage electrical interconnection between the Gull Island power site on the Churchill river in Labrador and power markets on the Island of Newfoundland. The investment referred to in item 3. also involves an electrical interconnection between the proposed Gull Island project and the Churchill Falls project, thereby connecting the Newfoundland power system with the other interconnected systems of Eastern Canada.

IMMIGRATION—FURTHER DETAIL ON THREE YEARS IN CANADA

Question No. 1,513—**Mr. Friesen:**

With reference to *Three Years in Canada*, the First report of the longitudinal survey on the economic and social adaptation of immigrants, a volume of the Green Paper on Immigration, what groups comprise the category "Others", the largest category listed in Table A.7 on page 146?

Order Paper Questions

Hon. Robert K. Andras (Minister of Manpower and Immigration): Immigrants to Canada in 1969 were born in almost every country in the world. In addition to those countries listed in Table A.7, the following were the countries in which 1,000 or more immigrants were born:

Country of Birth	Immigrant Arrivals 1969	Immigrant Sample 1969
Czechoslovakia	5,029	87
The Netherlands	2,412	51
Egypt	1,839	30
Ireland, Republic of	1,627	26
Switzerland	1,606	14
Poland	1,563	15
Canada	1,134	3
Hungary	1,132	15

PUBLIC SERVICE SUPERANNUATION ACCOUNT

Question No. 1,543—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount at credit in the Public Service Superannuation Account as at (a) March 31, 1972 (b) March 31, 1973 (c) March 31, 1974?

2. What rate of interest has the government paid for the use of this money during the fiscal years ending on the dates noted above?

3. What amount of interest was credited to the Public Service Superannuation Account during the fiscal years ending (a) March 31, 1972 (b) March 31, 1973 (c) March 31, 1974?

4. What was the total amount paid out of the Public Service Superannuation Account during the fiscal years ending (a) March 31, 1972 (b) March 31, 1973 (c) March 31, 1974?

Hon. Jean Chrétien (President of Treasury Board): 1. (a) $4,488,549,951; (b) $4,945,750,813; (c) $5,427,502,239.

2. Quarter ending: June 30, 1971, 1.3838 per cent; September 30, 1971, 1.3896 per cent; December 31, 1971, 1.4004 per cent; March 31, 1972, 1.4157 per cent; June 30, 1972, 1.4601 per cent; September 30, 1972, 1.4659 per cent; December 31, 1972, 1.4778 per cent; March 31, 1973, 1.4931 per cent; June 30, 1973, 1.5042 per cent; September 30, 1973, 1.5252 per cent; December 31, 1973, 1.5364 per cent; March 31, 1974, 1.5490 per cent.

3. (a) $163,707,472; (b) $184,190,199; (c) $202,866,916.

4. (a) 118,635,547; (b) 137,073,425; (c) 163,297,280.

PUBLIC SERVICE—USE OF STANDARD PAPER SIZES

Question No. 1,554—**Mr. Herbert:**

On what date will the 8 1/4 x 11 3/4 metric stationery presently in use in Ministers' offices be made available for general use in the Public Service?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The Canadian Government Specifications Board Committee on Standard Paper Sizes, representing a wide range of Canadian interests, including paper manufacturers, printers, and users, federal and provincial governments, is actively engaged in preparation of a national standard for paper sizes in Canada. When the standard has been approved it is anticipated that the use of standard paper sizes in the Public Service will be implemented in accordance with the standard through the Federal Identity Program developed by Information Canada. The standard is expected to be available in mid-1975.

PUBLIC SERVANTS—TRAVEL EXPENSES ON OFFICIAL BUSINESS

Question No. 1,560—**Mr. Blackburn:**

1. As a general rule, do government employees, when travelling on official business at public expense, travel in first-class accommodation or in economy class?

2. Are there any exceptions to the general rule and, if so, what are they?

Hon. Jean Chrétien (President of Treasury Board): 1. Government employees on official business generally travel economy air and, for one way rail trips of four hours or less, coach class.

2. Exceptions to the general rule are: Paragraph 2.03 of the Treasury Board Travel Directive, "... A higher standard of accommodation may be authorized only when, in the opinion of the employer, the extra cost is justified by program-related reasons, such as: (a) when no less expensive accommodation is available and a delay in arrival is not acceptable, or (b) when travel is within a country or between countries when economy class air travel present health hazards or discomfort to the employee, or (c) when in exceptional circumstances, such as for reasons of protocol, an employee officially accompanies another person travelling first class." Paragraph 2.09 of the Treasury Board Travel Directive referring to rail travel in excess of four hours, "... For longer trips a higher standard shall be authorized with Canadian roomette or equivalent accommodation being provided for overnight travel." A deputy minister may authorize first class travel if in his opinion it is appropriate to do so.

CALGARY AIRPORT—TILE CONTRACTS

Question No. 1,594—**Mr. Schellenberger:**

Will the government look favourably upon granting the contracts for tile in the new Calgary Airport to a Canadian firm to encourage the development of that industry here and require that the tile be specified according to the government's Master Construction Specification?

Hon. Jean Marchand (Minister of Transport): Canadian materials are preferred where they are available and can meet Government Master Construction Specification. Tender bids from any Canadian manufacturer who can meet the requirements will be considered.

DEPARTMENT OF SUPPLY AND SERVICES—100,000 FUR CAPS

Question No. 1,698—**Mr. Halliday:**

1. Were tenders called by the Department of Supply and Services for the supply of 100,000 fur caps for issue to servicemen, which, when received, were two-sizes too small and, if so, was the lowest tenderer awarded the contract?

2. What is the name of the company awarded the contract?

3. What has the Department done with these fur caps?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes, tenders were called and the contract was awarded to the lowest tenderer.

2. Parktown Hat and Cap Ltd., Toronto, Ontario.

3. In accordance with directions of the customer department (DND), the fur hats were shipped by the manufacturer to No. 1 Canadian Forces Supply Depot, Downsview, Ontario.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

PUBLIC SERVICE ENROLMENT IN LANGUAGE CLASSES

Question No. 46—Mr. Coates:

1. How many employees of the Public Service, Crown corporations and federal boards enrolled in language classes, either undertaken with the Public Service or financially supported by the taxpayer, in each fiscal year since the passage of the Official Languages Act?

2. Of the total number of employees enrolled, how many enrolled for (a) English language training (b) French language training in each of the fiscal years?

3. Of the total number of employees enrolled, how many were (a) successful (b) unsuccessful in the passage of the courses enrolled in (i) English language training (ii) French language training?

4. Of the total number successful in securing language courses, how many qualified for the special language incentive payment?

Return tabled.

LANGUAGE TRAINING FOR INDIVIDUALS OUTSIDE PUBLIC SERVICE

Question No. 51—Mr. Coates:

1. Have any individuals, who are not employees of the government or any of its boards or agencies, received language training that has been paid for by the taxpayers and, if so (a) what are the names of such individuals (b) for what reason were they selected to receive such language training at public expense (c) are they associated in any way with individuals who are members of the Public Service Commission, boards, Crown corporations or other government agencies?

2. What was the total cost in each instance of providing the training in question to the individual in question?

Return tabled.

LIP—ALLOCATION OF FUNDS IN CONSTITUENCY OF LANGELIER, 1972-73

Question No. 54—Mr. Cossitt:

1. With reference to the answer to Question No. 46 of the Second Session of the 29th Parliament, which states in part that a total of $1,710,761 was allocated under the Local Initiatives Programme for 1972-73 in the constituency of Langelier, Quebec (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

LIP—ALLOCATION OF FUNDS IN CONSTITUENCY OF HOCHELAGA, MONTREAL, QUEBEC

Question No. 55—Mr. Cossitt:

1. With reference to the answer to Question No. 46 of the Second Session of the 29th Parliament, which states in part that a total of $689,437 was allocated under the Local Initiatives Programme for 1972-73 in the constituency of Hochelaga, Montreal, Quebec (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

RATES OF UNEMPLOYMENT AND WELFARE RECIPIENTS

Question No. 256—Mr. Reid:

With respect to Question Nos. 20, 21, 54, 55, 56, 57, 58, 59, 60 and 61, what were the estimated rates of unemployment and the number of welfare recipients in each constituency?

Return tabled.

SUBSIDIES TO FISHING INDUSTRY

Question No. 284—Mr. McKinnon:

For the past eight years, by province, how much in direct subsidies was paid to the fishing industry (a) to fishing boats (b) to fish packing and/or processing plants?

Return tabled.

PERSONNEL PLANNING AND DEVELOPMENT DIVISION, DEPARTMENT OF EXTERNAL AFFAIRS

Question No. 325—Mr. Paproski:

1. What are the (a) present salary ranges (b) official duties assigned to each of the following Section Heads in the Personnel Planning and Development Division of the Department of External Affairs (i) Director (ii) Classification (iii) Manpower Planning and Forecasting (iv) Personnel Planning Groups (v) Personnel Data Bank Group (vi) Language Requirements Unit (vii) Training and Development (viii) F.S. Orientation (ix) Non F.S. Officer Groups and pre-posting (x) Language Training Officers (xi) Administration and Financial Control?

2. (a) What was the actual written output produced by each of the above sections from August 1, 1973 to August 1, 1974 (b) how many of these publications (per section) were used by (i) that division (ii) other departmental divisions (iii) the public?

3. (a) What was the overall budget for the Personnel Planning and Development Division of the Department of External Affairs for the fiscal year 1973 (b) what percentage of this budget was used to pay salaries for this division?

4. (a) How many persons are presently employed by each section of the Personnel Planning and Development Division of the Department of External Affairs (b) how many persons (per section) were actually involved in the production of the written output for that section (c) what is the present salary range for persons employed by these sections?

Return tabled.

EXPENDITURES AND CONTRACTS OF CIDA AND SUPPLY AND SERVICES FOR FIVE YEARS

Question No. 354—Mr. Broadbent:

1. For the years 1972-73 and 1973-74, what amounts were expended by the Department of Industry, Trade and Commerce (a) by programme (b) by province?

2. By province, during each of the past five fiscal years, what were Canadian International Development Agency (a) contract expenditures (b) consulting services (c) expenditures on materials and supplies made by the Department of Supply and Services?

3. What were Department of Supply and Services expenditures during each of the past five fiscal years (a) by province (b) abroad?

4. By province, what has the distribution of Department of Supply and Services contracts during each of the past five fiscal years?

Return tabled.

TREASURY BOARD CONSULTANTS

Question No. 396—Mr. MacKay:

1. From the 1968 fiscal year to date (a) how many consultants were hired (b) what were the terms of reference and time length of the work assignment (c) what was the amount paid to each (d) what was the name of each for the Treasury Board?

2. What are the names, positions, number and salaries of public servants for the Treasury Board that held a position similar to that of the outside consultant hired by the government?

Return tabled.

PEMD—GRANTS IN FISCAL YEAR 1973-74

Question No. 413—Mr. Rodriguez:

What were the names of recipients of grants or loans under the Programme for Export Market Development (PEMD) in the fiscal year 1973-74, and what were the amounts paid out in each case?

Return tabled.

DEPARTMENT OF PUBLIC WORKS—RESEARCH EXPENDITURES

Question No. 555—Mr. Symes:

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 by the Department of Public Works on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

LIP—FUNDS ALLOCATED IN CONSTITUENCY OF HOCHELAGA, MONTREAL, 1973-74

Question No. 618—Mr. Cossitt:

1. What was the total amount of money allocated under the Local Initiatives Programme for 1973-74 in the constituency of Hochelaga, Montreal, Quebec (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

[Mr. Paproski.]

Return tabled.

LIP—FUNDS ALLOCATED IN CONSTITUENCY OF SASKATOON-HUMBOLDT

Question No. 620—Mr. Cossitt:

1. What was the total amount of money allocated under the Local Initiatives Programme for 1973-74 in the constituency of Saskatoon-Humboldt, Saskatchewan (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

NATIONAL DEFENCE—CONTRACTS TO LAPOINTE TRANSPORT LTD.

Question No. 647—Mr. Grafftey:

1. What transport contracts have been awarded by the Department of National Defence to Lapointe Transport Ltd., 105 Industriel Blvd., Longueuil, Quebec, since January 1, 1972?

2. What was the amount of the contract in each case?

3. Were public tenders called in each case and, if not, for what reason?

Return tabled.

LIP—FUNDS ALLOCATED IN CONSTITUENCY OF CAPILANO

Question No. 1,035—Mr. Cossitt:

1. What was the total amount of money allocated under the Local Initiatives Programme for 1973-74 in the constituency of Capilano (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

LIP—FUNDS ALLOCATED IN CONSTITUENCY OF STORMONT-DUNDAS

Question No. 1,096—Mr. Cossitt:

1. What was the total amount of funds allocated to LIP projects in the constituency of Stormont-Dundas in each year 1972-73 and 1973-74?

2. What were (a) all the project numbers (b) the project names and addresses (c) all the names appearing on applications (d) the names and addresses of absolutely all persons recommending such applications in any way?

3. Were there any cases where an amount of a grant was decided upon and subsequently changed and, if so (a) what were the details of such cases (b) where were the increases or decreases made (c) what

specifically was done with the amount deducted from any grant and was any such total added to another grant?

Return tabled.

CONTRACTS AWARDED BY DEPARTMENT OF SUPPLY AND SERVICES FROM 1969-70

Question No. 1,741—**Mr. Clark (Rocky Mountain):**

From 1969-70 to the present, what was the complete amount of contracts given by the Department of Supply and Services to corporations and companies which receive a single contract of at least $250,000?

Return tabled.

● (1420)

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 8 and 9 are acceptable to the government subject to the usual reservation concerning confidential documents and the authorization of the governmental authorities concerned.

COPIES OF ALL CORRESPONDENCE RELATING TO TUNNEL BETWEEN LABRADOR AND NEWFOUNDLAND

Motion No. 8—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, telegrams, minutes of meetings, and agreements between the government and the Government of Newfoundland having to do with participation of both parties in the creation of a tunnel between the land masses of Labrador and Newfoundland to transfer hydro cable from Lower Churchill Falls.

Motion agreed to.

COPIES OF ALL CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT REGARDING DEVELOPMENT OF LOWER CHURCHILL FALLS

Motion No. 9—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, telegrams, minutes of meetings between the government and the Province of Newfoundland regarding the development of the Lower Churchill Falls in Labrador.

Motion agreed to.

Mr. Reid: Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 25 and 27.

COPIES OF REPORTS BY JOINT FEDERAL-PROVINCIAL COMMITTEE CONCERNING FISHERMEN ON WEST COAST OF NEWFOUNDLAND

Motion No. 25—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all reports and recommendations concerning the areas from Cape John to Cape St. Gregory on the West Coast of Newfoundland submitted by the Joint Federal-Provincial Committee charged with considering the designation of areas in which fishermen were to receive compensation for fishing gear losses due to ice damage in 1971.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, since the province of Newfoundland is not agreeable to the publication of such correspondence, the Minister of State (Fisheries) (Mr. LeBlanc) therefore is unable to table the documents requested, the release of which might be detrimental to the future conduct of federal-provincial relations.

I would therefore ask the hon. member to withdraw his motion.

Mr. Marshall: Agreed.

Order discharged and motion withdrawn.

COPY OF PEAT-MARWICK CONSULTANTS REPORT ON JACQUES CARTIER TERMINAL FACILITIES

Motion No. 27—**Mr. Forrestall:**

That an Order of the House do issue for a copy of the Peat-Marwick Consultants report on the Jacques Cartier terminal facilities prepared for the National Harbours Board.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the National Harbours Board engaged the services of Peat-Marwick and Company as consultants to review traffic forecast and facility requirements for eastern Canadian ports. The study was broad in nature and did not relate to any specific facilities, certainly not to Jacques Cartier terminal. The results are confidential as they deal with the continuing competition for traffic with United States east coast ports. I therefore ask the hon. member to withdraw his motion.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, inasmuch as I apparently did not word the question narrowly enough I will withdraw this one and change it.

Order discharged and motion withdrawn.

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

Some hon. Members: Agreed.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL—CONFERENCE OF PRODUCING, CONSUMING AND THIRD WORLD COUNTRIES—REASON FOR FAILURE OF CANADA TO ATTEND

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister concerning the very important conference on oil called by France for April 7 I believe, involving some ten countries including France, representatives of the producing countries, representatives of the consuming countries, and representatives of the third world, a conference to which Canada has not been invited. I should like to ask the Acting Prime Minister whether the Government of Canada approves of this conference or disapproves of it and whether it accepts the fact that it has not been invited or whether it has protested its not being invited.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, perhaps I might respond on behalf of the Acting Prime Minister. For some time Canada has favoured in general terms a meeting between both the producing and consuming countries as well as the developing countries and has sought to participate in the preparatory meetings which will be taking place in Paris in the near future. The position that was taken by the various parties to the international energy agency and indeed by the Government of France, was that the conference should be confined to a limited number of participants in all three categories. The Government of Canada would have preferred to have participated in the preparatory meeting but I think that with Canada and all other countries participating it would have been of such a scale that would have perhaps hindered the making of effective arrangements in the preparatory meeting. We agreed on that basis not to participate.

OIL—CONFERENCE OF PRODUCING, CONSUMING AND THIRD WORLD COUNTRIES—CANADIAN POSITION ON SUBJECTS TO BE DISCUSSED AND THROUGH WHOM ADVANCED

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. Due to the fact that this conference, if it is successful along the lines that the Government of France, which is calling this conference, may lay down some very important guidelines for the future relating, for example, to the concept at least of negotiated prices between the producing and consuming countries—a negotiated world price—and the possibility of agreements in principle on a floor price or even the range of level of that floor price, does the Government of Canada have a position on these matters and if so how is this position to be put before this conference?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, may I remind the Leader of the Opposition that this conference, of course, is preparatory to a full conference which will be taking place later this year on the assumption that the preparatory meeting is successful. The government of Canada will be keeping in close touch with these discussions and with the participants at the conference of the international energy agency, and of course we will be making our views known with regard to the various items which the hon. gentleman has mentioned. The International Energy Agency meeting will take place in the agency on March 6 and 7, that is to say this week. At that time we will be discussing the question of the floor price, among others. We have not taken a final position with regard to the various comments put forward until the propositions are better defined, although we recognize that the floor price could be of significance to Canada with the relatively high cost petroleum resources in the future, and on that basis we will be pursuing the floor price discussion, bearing in mind our interest over the long run in maintaining protection of our own industry.

[Mr. Speaker.]

Mr. Stanfield: It is my understanding that if the international agency is present at the conference, it will be present only with observer status. I am asking the Acting Prime Minister or the Minister of Energy, Mines and Resources, if the Government of Canada has views to be expressed at this conference, through whom does it propose to express these views, through Mr. Kissinger?

Mr. Macdonald (Rosedale): No, Mr. Speaker, obviously the views of the Government of Canada will be made known to all participants with whom we have diplomatic relations, but in particular with the members of the international energy agency who will be participating. In no sense will Canada be bound by the results of the preparatory meeting, and of course we reserve the full right to express our views at the plenary conference when it is held, whether or not we are in agreement with the preparatory meeting.

Mr. Stanfield: Has the minister any reason to believe that Canada will be invited to the full conference, or that the full conference will not be restricted to the original countries that have been invited?

Mr. Macdonald (Rosedale): Yes, we have the assurances of all parties that it will be a full conference and Canada will be a full participant.

* * *

THE CANADIAN ECONOMY

MINISTER'S FORECAST OF GROWTH—SUGGESTED INTRODUCTION OF NEW MEASURES TO STIMULATE GROWTH

Mr. Sinclair Stevens (York-Simcoe): My question is for the Minister of Finance. In view of the minister's statement on November 18 that barring "unforeseen shocks at home, the Canadian economy is expected to grow at a rate of about 4 per cent 1975", and in view of the minister's statement yesterday that he had scaled down his forecasts, would the minister indicate what is his current guess for real growth in the economy for 1975, bearing in mind that his forecast last May of a 5 per cent growth for 1974 has turned out to be only 3.7 per cent?

Hon. John N. Turner (Minister of Finance): In the volatile world in which we are living—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): —forecasts have been difficult to make and difficult to achieve.

An hon. Member: Bring back the group of seven.

Mr. Turner (Ottawa-Carleton): I might say to the hon. member that virtually every forecast in this country, both public and private, has been revised considerably, as have those in the United States and those of the European trading partners. After I review the effect of the stimulus injected into our economy as a result of the November 18 budget, after we are able to review whatever negotiations evolve between the U.S. congress and the administration as to what the stimulus will be and how it is injected into the American economy, I will be in a position on an appropriate occasion to revise my estimates before the House.

Mr. Stevens: In view of the minister's answer, and in view of his statement yesterday in justification of his failure to introduce a new budgetary stimulus to the economy in which he referred to the Conference Board of Canada figures that forecast, he said, an upturn in the third and fourth quarters in 1975, is the minister aware of the fact that the Conference Board figures referred to by him were issued before his budget and that subsequent to the November budget the Conference Board scaled down its forecast for the third and fourth quarters of the current year so that the fourth quarter, according to the Conference Board, is now reflected in a growth of only 1.7 per cent, compared with its earlier estimate of 3.6 per cent? If he is aware of this, would he not accept this as sufficient indication to cause a new budgetary stimulus in the economy?

● (1430)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I could refer to the hon. gentleman selective quotations from the report of the Institute of Qualitative Analysis at the University of Toronto, which was published just a few weeks ago and which bears out what I have said. I might refer him to another authority for which he may have even more respect, namely, the Leader of the Opposition, who on February 16, on the program "Question Period", in answer to the question as to whether the Minister of Finance should bring in another budget as soon as possible said, no, not necessarily; basically he recognized that things are difficult. He was then asked the reason for the proposal of the Conservative Party for a $500 million tax cut and replied that the 5 per cent tax cut proposal was put forward, not particularly as a stimulus to the economy, but as a means of forcing the government to exercise restraint in terms of expenditures. The hon. gentleman really ought to get on the same wavelength as his leader and have a discussion about the whole thing.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I believe it is the practice in question period for a lead-off question to be heard from each of the opposition parties.

An hon. Member: Why?

Mr. Knowles (Winnipeg North Centre): Because we are a democracy.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): This is with the proviso, however, that Your Honour permits supplementary questions to be asked by other members of the Official Opposition following the first question. But I suggest that the questions asked by the hon. member for York-Simcoe were in no way supplementary to the questions asked by the Leader of the Opposition. I suggest that it is this kind of abuse of the question period which gets us into trouble.

Mr. Stanfield: Mr. Speaker, on the same point of order, I wish to say a word in your defence. I am certain that Your Honour called on the hon. member for York-Simcoe because Your Honour assumed his question would be a supplementary. On the other hand, there was no attempt by the hon. member for York-Simcoe to pretend that he was asking supplementaries at all. I agree, however, with the hon. member for Winnipeg North Centre that it is the tradition of the House to call on a questioner from the New Democratic Party and the other parties in the House following the opening questions. I do not think there is anything here today but a misunderstanding. I do not object to the hon. member for Winnipeg North Centre calling attention to it, but I do not think he should suggest that anyone is trying to take advantage of anyone and thereby destroying the question period.

An hon. Member: You are a good man, Bob.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Témiscamingue on a point of order.

Mr. Caouette (Témiscamingue): Mr. Speaker, I have heard the statement of the Leader of the Official Opposition, but the hon. member for Winnipeg North Centre is right when he says that the supplementary question of the hon. member for York-Simcoe had no bearing on the question asked by the Leader of the Opposition, and everybody knows that the Progressive Conservatives have freedom enough to ask their questions, so much so that we are almost ignored in this corner of the House. So, I do not think the Leader of the Opposition or the hon. member for York-Simcoe are entitled to complain about their treatment.

[*English*]

Mr. Speaker: The hon. member for Winnipeg North Centre raised a point of order, and for the benefit of hon. members interested in the point I might say that I have tried, in the last two or three days, when points of order or questions of privilege have arisen during the question period, to extend the question period at the end by as much time as these points absorb in order to make sure that those members who want to put questions are not deprived by legitimate points of concern to the House.

The hon. member raised a point which occurred to me immediately the hon. member for York-Simcoe began his

questioning. It has been a standing practice since I assumed this office—which is really not that long, but it has been an understanding for that period of time—that I would try to recognize, following the first questioner from the Official Opposition, the lead off speaker for the other opposition parties unless followed by supplementary questions. It was obvious today that the questions were not supplementary, and my intention was to speak privately with those representatives who have made the suggestion as to who might follow the leader.

The point made by the hon. member for Winnipeg North Centre is therefore a point of order well taken. I take also the word of the Leader of the Opposition, as I am sure hon. members do, that it was simply a misunderstanding which has occurred for the first time today and which I am sure will not recur.

LENGTH OF TIME BEFORE INTRODUCTION OF MEASURES TO STIMULATE GROWTH—SUGGESTED INCREASE IN FUNDS ALLOCATED TO HOUSING

Mr. Edward Broadbent (Oshawa-Whitby): I have a question for the Minister of Finance. Considering the decline in the real growth of the economy which we have experienced in the last few years, as documented by figures released by Statistics Canada, which also relate to the forecasts that the real growth in the Canadian economy is likely to be in the neighbourhood of just one per cent for 1975, I would like to ask the minister, in light of this information and in light of his own acknowledgement three or four weeks ago that his own forecast made in the budget of last fall needed revision, how long he intends us to wait before he will bring forth these new measures to deal with the Canadian economy which the revelation of these facts fully justifies.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that will have to remain a question of judgment. The House should put the situation in perspective. The three month period—and I gather it was a three month period to which the hon. member was referring—was already evident to the government at the time I brought down the budget on November 18. The stimulus injected into the economy at that time, which was in the realm of $3 billion cash deficit, primarily by way of tax reductions, is already being felt by the economy as of January 1 in the form of tax reductions for the 1974 and 1975 taxation years, and when the bill which the House passed last week is passed by the other place, further refunds will be in the hands of Canadian taxpayers.

I would like to say to the hon. member as well that since this stimulus is already injected, since capital investment in plant and equipment is holding up reasonably well, and since, as against the figure of 3.7 per cent real growth for the economy in 1974 we had a figure of 6.8 per cent in real domestic product, that the economy in domestic terms fell off only marginally from the 8.3 of real domestic product in the year before. What really happened in our economy was a drag from our exports, a falling off of our exports caused by a stagnant recessionary American economy, a stagnant Japanese economy and a flat European economy.

Some hon. Members: Oh, oh!

[Mr. Speaker.]

Mr. Turner (Ottawa-Carleton): It is for those reasons that I am examining the situation in the United States, in Europe and in Japan because they are crucial to our exports. I am also examining the effect of the stimulus already in the enonomy.

Mr. Broadbent: A good part of the statistics revealed by Statistics Canada flatly contradicts what the minister has said or argued and specifically I refer to their singling out of the 10.4 per cent drop in residential construction which has nothing to do with foreign export sales. With the 10.4 per cent drop in residential construction in 1974 being one of the major reasons for the decline in growth of our GNP, I would like to ask the minister if the government has any intention of bolstering the housing market to provide houses which are needed, and to provide jobs, by injecting a large amount of money soon into the construction of new housing.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman is perfectly right that a major factor in the slow growth was a sharp drop in real consumer demand in housing and in some durable goods. One of the priorities in the budget was a further allocation of funds to give some leverage to my colleague the Minister of State for Urban Affairs. The fact remains that in analysing the figures for 1974 which have just come in, the difference between 6.8 per cent for real domestic product and 3.7 per cent for the total real growth in the economy or the gross national product is represented by the drag on our economy of falling exports.

* * *

● (1440)

TRADE

GOVERNMENT ACTION TO STIMULATE AND DIVERSIFY EXPORT TRADE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a final supplementary question for the Minister of Industry, Trade and Commerce following what the Minister of Finance has just said. What steps has the government taken in recent weeks to do something about our export trade, both in terms of achieving new markets for goods and in terms of diversifying our exports to manufactured goods instead of raw materials?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have launched a number of programs to diversify Canadian markets for both raw materials, food products and manufactured goods. We have also made some major changes in the Export Development Corporation to assist the financing of Canadian capital goods. There is also a ministerial mission which I shall be leading in a matter of ten days to Cuba and Venezuela.

Some hon. Members: Oh, oh!

Mr. Gillespie: Let me make it quite clear that we have been increasing our exports to our non-traditional markets at a far greater rate than to our traditional markets. We have set up a joint working group with France as part of

the France-Canada Economic Commission and we expect to conclude a joint economic commission with Iran shortly. We will be participating in 55 international trade fairs during 1974-75 and 100 incoming missions.

Some hon. Members: Order, order!

Mr. Broadbent: Mr. Speaker—

Mr. Speaker: Is the hon. member for Oshawa-Whitby rising on a point of order?

Mr. Broadbent: Mr. Speaker, at the risk of getting another catalogue from the minister, I should like to ask him, in view of his initiation—

Some hon. Members: Order, order!

Mr. Broadbent: —of all these steps—

An hon. Member: That is not a point of order.

Mr. Broadbent: —if he can give the House one concrete example of increased sales as a result of all these projects?

Mr. Gillespie: Yes, Mr. Speaker, I will be very pleased to supply a list to the hon. member.

Mr. Baldwin: It will not increase the sales of *Hansard*.

* * *

[*Translation*]

EXTERNAL AFFAIRS

CIDA—GRANTING OF CONTRACT TO SINTEC—REQUEST FOR INQUIRY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, in the absence of the Secretary of State for External Affairs I shall put my question to the Acting Prime Minister.

In view of the report that CIDA has awarded an important contract for the establishment of a telecommunications network in Zaire to the Quebec Sintec Company which is facing bankruptcy, could the minister tell us all about this contract and indicate to the House in what circumstances everything was arranged so that we realize now that the main agents of the companies are people such as René Mantha, union leader evicted from James Bay, Gilles D. Bergeron, a former deputy minister dismissed following a case of forged social security cheques, and André Déom, founding president of the company and Liberal member of the National Assembly for Laporte in Quebec?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, as Acting Secretary of State for External Affairs, and without admitting the allegations and accusations contained in the hon. member's question, I undertake to ask the department to inquire into those facts and shall report to the hon. member as soon as possible.

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

In his answer, could the minister say whether hon. members will be able to know if the contract was awarded after tenders, who were the tenderers and what were the amounts involved?

Mr. Pelletier (Hochelaga): I shall inquire also about that aspect of the question, Mr. Speaker.

* * *

[*English*]

TRADE

GOVERNMENT ACTION TO STIMULATE EXPORT OF MANUFACTURED PRODUCTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, as you might imagine I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that the volume of exports of fully manufactured products, which are the ones that produce the jobs, have decreased by 4 per cent during the past year and the volume of imports of those same products increased by 13 per cent in the same period, thereby having a very serious effect on employment, does the minister intend to introduce specific measures to improve this situation? I ask this in view of the fact that the measures he has introduced are not working, measures such as incentives to increase productivity and thereby lower costs and make our products more competitive in the marketplace and introduce more aggressive selling aid to manufacturers.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there was so much noise from the other side when the hon. member was asking his question that I did not get the last part of it.

Mr. Turner (Ottawa-Carleton): You didn't miss a thing.

Mr. Gillespie: If the hon. member had studied the budget he would see that incentives are built in for the manufacturing industry to expand. On the other point, I should like to ask him if he is suggesting that we should adopt a protective policy to prevent imports from coming into the country?

Mr. Speaker: Order, please. There are some rules in connection with the question period that are difficult to enforce and are very vague, but one is abundantly clear: it is this side that asks the questions of that side.

Some hon. Members: Hear, hear!

Mr. Hees: A supplementary. Obviously the minister transcended the rules but he did so because he had to ask somebody who knew something about it what ought to be done!

Some hon. Members: Hear, hear!

Mr. Hees: Is the minister not aware by now that the measures introduced in the budget to increase productivity simply are not doing the job and will not do the job. Any manufacturer will tell him that. Will he get together with the Minister of Finance to try to induce him to introduce real incentives to increase productivity and stop it dropping every single day that we are here?

Mr. Speaker: Order, please. There are a number of members seeking the floor on points of order. I hesitated to interrupt the hon. member for Prince Edward-Hastings in midsentence, so if the hon. Minister wishes to respond to

that question he may do so before I take the points of order.

Mr. Gillespie: Mr. Speaker, I want to draw the hon. member's attention to the new program for the shipbuilding industry. If he looks at it he will see that there are some very basic incentives built into it.

Mr. Speaker: Perhaps in the interests of orderliness I will recognize a final supplementary question by the hon. member for Prince Edward-Hastings. In case the points of order that have come from my right are related to offended sensibilities, I am sure hon. members on the right realize that in recognizing questioners from that side that my statement a moment ago that questions should come from that side to this side is something of an over-simplification.

Mr. Hees: A supplementary, Mr. Speaker. Is the minister not aware that the program which he announced will aid marine industries mostly, as well as other friends of the government, and not other people nearly enough?

Mr. Gillespie: On the contrary, Mr. Speaker, I think that program will have a very wide appeal, from the west coast through the Great Lakes area down to the east coast. It will provide an opportunity for those shipyards which have been specializing in a distinctive competence and have shown themselves now able to compete internationally. I think that program, through the incentives built in for productivity, will further ensure that the industry can compete internationally in the future.

[*Translation*]

Mr. Guay (Lévis): On a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Lévis (Mr. Guay) on a point of order.

Mr. Guay (Lévis): Mr. Speaker, after the statement of the hon. member for Prince Edward-Hastings, I rise, as the representative of 18,500 workers in the industry involved, because even if the hon. member says that we are favouring large undertakings, we must just the same give consideration to the 18,500 workers earning their living there.

* * *

● (1450)

[*English*]

POST OFFICE

POSSIBILITY OF STRIKE—SUGGESTED CONTINUATION OF NEGOTIATIONS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Postmaster General arising out of the growing concern of the public about Canada's on-again-off-again postal service. Can the Postmaster General deny or confirm reports that following a meeting of union officials last week, a telex was despatched alerting union officials across the country to prepare for a strike?

[Mr. Speaker.]

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I cannot confirm nor can I deny because I do not know. I suppose that a strike in the post office is not inevitable. It is not needed. What is needed is for the bargaining committee to come forward with their demands. If they are reasonable, there is no reason for a strike.

Mr. Dinsdale: In view of the widespread support expressed by postal workers for the continuation of negotiations for a new contract through the established procedure of collective bargaining, will the Postmaster General assist in achieving an understanding on these issues with the union leaders by the process of consultation?

Mr. Mackasey: Mr. Speaker, I would not want to do it by consultation, but I am prepared to do it by negotiation. We have been doing that with the letter carriers since early January. There are only half a dozen issues and money separating—

Some hon. Members: Oh, oh!

Mr. Mackasey: The workers of Canada are entitled to a decent living wage. The only academic problem is what is a decent living wage.

* * *

NATIONAL REVENUE

SUGGESTED EXTENSION OF TIME FOR REGISTERED RETIREMENT SAVINGS PLANS—GOVERNMENT POSITION

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, my question is to the Minister of National Revenue and I may have a supplementary. In view of the delays in the mail and in view of the delays by many employers in preparing T-4 slips—I received my own from the House of Commons on February 26—will the minister consider extending the time limit for registered retirement savings plan contributions for 1974 from February 28 to March 31?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, this question was examined by my colleague, the Minister of Finance, and it was decided that no extension would be made. Where it is indicated that contributions have been in the mail since on or before February 28, although not postmarked because of what are undoubtedly temporary difficulties, the revenue department will take a fair and equitable attitude in recognizing these contributions as having been made prior to February 28.

Mr. Francis: Is the minister aware of delays in providing T-4 slips, in some cases by the government of Canada itself? This basic information on which taxpayers rely for the purpose of making maximum contributions simply was not in their hands by the deadline.

Mr. Basford: Mr. Speaker, we are aware of a delay in some cases, but it is felt that most taxpayers wanting to make a contribution were able, prior to February 28, to make a decision on what their taxable income would be.

CITIZENSHIP

REQUEST FOR NAMES OF PERSONS WHO RECOMMENDED MR. JOE LANZA FOR APPOINTMENT AS JUDGE OF CITIZENSHIP COURT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Secretary of State. Can the minister confirm that Mr. Joe Lanza, formerly of the Hamilton Harbour Commission, the individual who was recently so warmly endorsed by the Minister of Labour and later undermined by the Minister of Transport, was touted for a judgeship in the Canadian Citizenship Court in 1969, and can the minister also indicate those persons who actively sought his appointment?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, the only relevant question is whether or not he is a judge.

Mr. MacKay: Mr. Speaker, I have a supplementary question for the Solicitor General. Will the minister indicate why Mr. Lanza has been consistently rebuffed in his several attempts to have his criminal record expunged? He has been turned down by the National Parole Board. Was it solely because of continuing suspicions about his attitude—

Mr. Speaker: Order, please.

* * *

AGRICULTURE

FEED GRAIN IN NOVA SCOTIA—NEED FOR ELEVATOR FACILITIES—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): I have a question for the Minister of Agriculture. With upwards of one quarter million tons of feed grains presently being imported into Nova Scotia each year, most farmers in Nova Scotia are becoming extremely skeptical about expanding their livestock or poultry production without some form of guarantee as to feed availability. In light of the fact that the future of Nova Scotia's agriculture industry hinges on the establishment of a central grain elevator to serve the industry, is the minister giving any thought to establishing a moderately sized elevator with a capacity of some 120,000 bushels in Nova Scotia, with grain drying equipment and grain grading facilities geared to produce products similar to those accepted under western grades?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the possibility of grain production and so on in the maritime provinces is under concentrated study and research. We hope to announce soon what our intentions will be to assist those people in producing forage from grain and so on.

IMMIGRATION

ALLEGED RCMP INVESTIGATION INTO RACIAL TROUBLE IN BRITISH COLUMBIA—POSSIBILITY OF INTENSIFIED PROGRAM OF DEPORTING ILLEGAL ENTRANTS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. The general malaise that seems to be growing in our country today seems to call for more and more RCMP investigations. Is the minister aware of an RCMP detachment investigating racial trouble in the lower mainland of British Columbia?

Hon. Robert K. Andras (Minister of Manpower and Immigration): No, Mr. Speaker, I am not aware of that.

Mr. Speaker: Order, please. I have some difficulty relating this to the administrative responsibility of the Minister of Manpower and Immigration.

Mr. Friesen: I have a supplementary question. I am sure the minister is aware that Australia, because of a 6 per cent unemployment rate, has intensified its program to deport those who are in that country illegally. I wish to ask the minister whether his department has plans to conduct a like intensification of such a program here.

Mr. Andras: Mr. Speaker, there are a number of deportations taking place. Where we find that illegal immigrants overstay their welcome in Canada, we take the necessary action.

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THE CANADIAN ECONOMY

MINISTER'S VIEW ON INDUSTRIAL STRIFE AS ALTERNATIVE TO CONSENSUS—SUCCESS OF MINISTER IN SEEKING CONSENSUS WITH LABOUR

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Finance. On Monday the minister denied he had said the alternative to a consensus is prolonged and bitter industrial strife even though in his speech of September 13 he stated "We can come together through a process of consensus. Alternatively, we can allow the balance to be determined by the process of prolonged and bitter industrial strife." Will the minister now advise whether it is still his position that the alternative to a consensus is prolonged and bitter industrial strife?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I said when I linked those two subjects I did not put them in terms of alternatives, I put them in terms of the general scenario. What I can say to the hon. member is if some sort of consensus is not arrived at, not only will we all be making excessive demands on the economy, but one of the results of that might well be industrial strife. Yes, I said that.

Mr. Fraser: I remind the minister that in his answer he said "I did not put them in terms of alternatives". Clearly, he did. Can the minister advise whether since his speech in September he has sought a consensus on the question of

strikes affecting the national interest, and has he had any success in this regard?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the prime thrust of the consensus that I and my colleagues are trying to achieve on the inflationary scene is to see whether we can evolve some way of moderating the demands on the economy. My colleague, the Minister of Labour, has been more specifically involved with the idea of some tripartite arrangement between leaders of the labour movement, business leaders and government to see whether new ways of settling industrial grievances can be arrived at.

● (1500)

Mr. Fraser: I thank the minister for his reply. Can he tell us definitely that in his search for a consensus on ways of meeting inflationary pressures he raised the question of damage to employment, productivity and supply caused by prolonged strikes, especially strikes affecting the national interest—I am referring specifically, of course, to the strike which is stopping all grain movement on the West Coast?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Speaker, I have said so. I want to make it clear that the purpose of the consensus exercise is to try to level out and diminish the inflationary impact of demands on the economy. One of the side effects of continued inflation is, of course, the exacerbation of the labour sector.

An hon. Member: What are you doing about it?

Mr. Turner (Ottawa-Carleton): I will spell that word for the hon. member after the question period is over.

An hon. Member: Get your mobile ratchet.

Mr. Turner (Ottawa-Carleton): In the course of these discussions, when the opportunity arose, I have drawn the attention of both employers and leaders of labour to the fact that last year we lost more than 9 million man-hours of work by strikes, which gave us the worst record in the industrial world except for Italy.

* * *

HEALTH

INQUIRY AS TO STANDARDS FOR ASBESTOS FIBRES IN AIR—CONDITIONS AT CLINTON CREEK MINE IN YUKON

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. According to the CBC show, "As It Happens", there are no federal legal standards with regard to the presence of asbestos fibres in the atmosphere. In view of the fact that the largest asbestos mine in Ontario is now closed down because of an excessive number of fibres in the air, and since there is at least one mine—

Mr. Speaker: Order. I hesitate to interrupt the hon. member and saddle him with responsibility for what has been taking place—it has happened several times today—but I think on behalf of all members who are trying to take part in the question period I should call attention to the fact that there has been a tendency recently to add sentence after sentence, if not paragraph after paragraph, to preambles to questions. The hon. member for New Westminster is doing it now. Members have prefaced their questions with lengthy preambles, a practice which, of course, reduces the number of questions which can be asked. It is not done at the expense of the Chair in any way but at the expense of others who wish to participate in the question period, and I really think this practice is one which ought to be severely limited.

[Mr. Fraser.]

Mr. Leggatt: I appreciate the stricture, Mr. Speaker, and I will try to limit my preamble—it will certainly not be longer than the answer the Minister of Industry, Trade and Commerce gave a while ago.

Some hon. Members: Oh!

Mr. Leggatt: My question is this: will the minister advise us whether there are any enforceable federal standards with regard to the presence of asbestos fibres in the air for the protection of those who now face serious health hazards, including cancer, when working with asbestos in mines and factories?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, there is now before the House a bill which has been debated but which unfortunately has not been passed. It deals with environment polluters. I hope it will be passed as soon as possible. It would be most useful to the government and would enable it to apply the necessary measures.

[*English*]

Mr. Leggatt: I take it the answer is no. My supplementary question is directed to the Minister of Indian Affairs and Northern Development. In view of the fact that the Clinton Creek mine in the Yukon is now under sole federal jurisdiction and since we learn that within the minister's own department there is a report stating that the concentration in this mine amounts to 18 asbestos fibres per cubic centimetre, would the minister tell us whether he has investigated the health of the miners who work in this mine? Is there an unpublished report in his department, indicating that a danger of these proportions is threatening the mine workers?

Mr. Lalonde: An investigation was carried out by my department's Bureau of Health Hazards and an environmental engineer for the Department of Indian Affairs. The figure quoted by the hon. member is quite wrong. I heard him refer to 18 fibres. There is no such figure. The figures mentioned in that study were around two to four fibres per millimetre of air and outside the plant the concentration was between 0.0 and 0.04 fibres per millimetre of air. We expect a detailed report of the results of that survey within two weeks, and I hope I shall then be able to provide the hon. member with more information. We plan to recommend certain measures to improve the situation inside the plant.

[*Translation*]

REQUEST FOR ACTION TO CONTROL HAZARDS FROM ASBESTOS FIBRES AT THETFORD MINES

Mr. Roch La Salle (Joliette): Mr. Speaker, I also have a supplementary for the Minister of National Health and Welfare.

Since a very recent study shows that 61 per cent of the Thetford Mines workers in Quebec having more than 20 years' experience suffer from pulmonary and other diseases, did the minister get in touch with these people, in view of the bill which should be adopted soon, and does he in any event consider meeting a need which seems urgent in this area?

Hon. Marc Lalonde (Minister of National Health and Welfare): As the hon. member said, a bill is now before the House. However, the hon. member knows for sure that these matters, within the provinces, come under work security measures which are controlled and administered by provincial authorities themselves who have complete jurisdiction in this area.

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[*English*]

FINANCE

POSSIBILITY OF COMPENSATION FOR HOLDERS OF THREE PER CENT PERPETUAL BONDS—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to ask the Minister of Finance a question with regard to the problem posed by the 3 per cent perpetual bonds and the need to find some equitable solution. Is the minister considering some form of compensation dating back to 1964 when the coupons were all used up?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, the difficulty being that a large percentage of those bonds are in bearer form. As I have told a number of hon. members who have met me singly and collectively on this subject, it is difficult to achieve a just solution as between those who have already sold and those who retained the bonds. It is a difficult problem to resolve, particularly since it involves other government obligations at interest rates which might not reflect current market rates; the question of reconciling those rates with present rates would also be raised.

As I say, it is a difficult problem to solve, although I have had the co-operation of a good many members on both sides of the House in attempting to do so.

* * *

SOCIAL SECURITY

RATES CHARGED BY SENIOR CITIZENS RESIDENCES—NEED FOR INCREASE IN OLD AGE PENSION—GOVERNMENT ACTION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the fact that the new rates charged for some senior citizens residences exceed the combined total of the old age security pension and the guaranteed income supplement, what action does the government plan to take to meet the needs of this large group?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the question of residences for senior citizens who receive a guaranteed income supplement is under the jurisdiction of the provinces. However, the federal government provides the provinces with large amounts of money, through my colleague, the Minister of State for Urban Affairs, to enable them to meet those needs. The provinces themselves establish the rents for every institution, and I am afraid the question should be referred to the provinces concerned.

* * *

● (1510)

[*English*]

AGRICULTURE

POTATOES—NEED FOR ASSISTANCE TO PRODUCERS—GOVERNMENT ACTION

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is for the Minister of Agriculture. It is brief and to the point. Did the minister meet today with two important delegations from New Brunswick and Prince Edward Island concerning potato prices. If so, what conclusions were reached?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we had a lengthy meeting with the Minister of Agriculture from New Brunswick and the minister from Prince Edward Island, along with delegations from both provinces.

An hon. Member: On potatoes?

Mr. Whelan: No decision was reached. We discussed many ways of assisting potato growers in that area. I am sure that if hon. members want to participate this afternoon in the debate on the stabilization legislation, which will be before the House, they can make some good contributions.

Hon. J. A. MacLean (Malpeque): A supplementary question, Mr. Speaker. Is the minister in a position to say that the federal government will contribute to an emergency scheme to relieve the financial situation of potato growers this year, provided the two provincial governments concerned come up with a feasible program?

Mr. Whelan: Mr. Speaker, we did discuss this and, to refer to past history, it has been suggested seven or eight times since 1957 by former ministers of agriculture that "if you help them this time they will organize a better marketing system for themselves". However, growers in Prince Edward Island and New Brunswick cannot establish a marketing system for themselves without allowing growers from Quebec and Ontario to join with them, because their markets, too, will be affected in that area and they will all need to work closely together. We discussed that. It is the opinion of the Canadian Horticultur-

al Council that these growers must work more closely together in order to provide more security in that market. We will be working on a longer term basis to that end.

[*Translation*]

BEEF AND VEAL—DATE OF REPORT OF INQUIRY INTO MARKETING

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to ask a question of the Minister of Agriculture.

Since the difference between prices paid by consumers on the one hand and prices paid to producers on the other hand for beef and veal is constantly increasing and since on January 7, 1975 the Prime Minister announced the creation of a board to investigate the methods of marketing beef and veal, can the minister tell the House whether that board has already done some work, whether he is kept informed of the preliminary findings of the board and whether he intends to make recommendations to the House to correct the situation before the Easter adjournment?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member asked many questions and made some suggestions. The terms of reference for the beef inquiry were made public, published, gazetted and so on. I announced in the House some time ago that we were reviewing support programs for beef and veal and we are considering extending them. I cannot tell him anymore at present.

[*Translation*]

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

I think my question was clear but the minister's answer was not. I was not referring to the Prices Stabilization Board, but to a board which was formed on January 7 by the Prime Minister to examine the difference between prices in the marketing of beef and veal. May I ask the minister whether the date when this board will report to the House has been determined?

[*English*]

Mr. Whelan: Mr. Speaker, we have asked them to report to us as they proceed with their investigation and findings. We know that a complete report on beef and veal marketing in Canada will take some time to make. It will not be done in an easy two weeks or one month. If they complete the hearings and make a full and detailed report on beef marketing in Canada available within one year, we will be satisfied.

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AIR CANADA

SUGGESTED INQUIRY INTO CIRCUMSTANCES SURROUNDING RESIGNATION OF MR. YVES MENARD

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Transport. Has the minister looked into the circumstances surrounding the rather hasty departure of Mr. Yves Menard of Air Canada, in light of that gentleman's rather questionable arrangements with EconAir, a subsidiary of Air Canada which runs a resort operation in Barbados.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, all I know is what I read in the newspapers this morning, namely, that the president of Air Canada is making an inquiry into this affair. I think we should await the results of that inquiry.

Mr. Mazankowski: A supplementary question, Mr. Speaker. As EconAir, the Air Canada subsidiary for which Mr. Yves Menard was responsible, lost about $1 million on its operations last year, and in view of Mr. Menard's questionable involvement in this affair—this is how it appears on the surface—does the minister not think it is incumbent on him to look into this particular matter and report to the House?

Mr. Marchand (Langelier): Sure, Mr. Speaker.

Mr. Speaker: Orders of the day.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a point of order on which I hope Your Honour will rule. It concerns an important ministerial statement which was made today outside the House a few minutes before the House commenced to sit at two o'clock. The point concerns an important statement made by the Minister of Industry, Trade and Commerce (Mr. Gillespie) who announced a new government shipbuilding program. I might say there is nothing wrong with that. However, there are two things I wish to draw to Your Honour's attention. Because our Standing Orders limit the duration of the question period it was not possible for me to raise this matter during the question period. Second, I submit that the minister acted contemptuously in ignoring the long-standing traditions of the House when he made a statement outside this House on a day when the House was sitting.

The statement was important because it announced a new government program, a new government initiative. What is important, however, is that the manner in which it was made denied members of the official opposition and of other opposition parties in the House the opportunity to respond in the House to this new government initiative. If I had succeeded in catching Your Honour's eye and getting the floor, I would have asked questions about this new multimillion dollar shipbuilding program which is to assist the shipbuilding industry in Canada. The program contains provision for the payment of $265 million to a company now under investigation by the RCMP for defrauding the Government of Canada. I am talking Marine Industries Limited of Quebec. I would have asked a question about that matter. However, we were not given the opportunity to raise that question or to respond in the House to the minister's statement. I believe, in view of the circumstances in which the statement was made, that the minister showed contempt for this House. He showed it by making a statement outside the House while the House was in session, thereby denying, as I have said, the opportunity for opposition parties in this House to respond. The matter was not touched on during the question period, apart from the oblique reference to the statement which the minister made in response to a question asked by the

hon. member for Prince Edward-Hastings (Mr. Hees). There was no opportunity to refer to this matter; a question dealing with it was not raised and therefore there was no chance to ask a supplementary question.

I believe ministers are obligated to adhere to the traditions of this House. One of those traditions is that statements shall not be made outside this House while the House is in session. I therefore believe that the minister was in contempt of the House, and I hope Your Honour will take note of that.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, if I may speak to the point of order, may I reassure the hon. member that there is ample precedent for the issuing of a communiqué of this kind. If he so wishes, I would be pleased to table that communiqué at this time. I want to assure him that the communiqué was issued to all members at the same time and favouritism was not played in any way. If he is concerned that this new program was announced outside the House when the House had to give its approval, let me reassure him that this particular program did not require parliamentary approval.

● (1520)

I would also draw the hon. member's attention to the fact that this matter was raised during the question period. Indeed, I referred to it, as did the hon. member for Prince Edward-Hastings (Mr. Hees), although obliquely. If there had been any interest on the part of the opposition to pursue this matter through supplementary questions, they had the opportunity. Finally, Mr. Speaker, I want to make it quite clear that the main and the supplementary estimates will be before the miscellaneous estimates committee and there will be plenty of opportunity for opposition members to put questions to me on that occasion.

Mr. Speaker: Order, please. In respect of the point of order raised by the hon. member for St. John's East (Mr. McGrath), there was an aspect of the response by the minister that perhaps touches on the responsibility of the Chair: if it does not relate to the responsibility of the Chair, perhaps it does relate to the invidious choice the Chair has to make each day in deciding which questioners will be recognized and which will not. It is clear there were several hon. members who today wanted to pursue the matter through supplementary questions but did not have the opportunity of being recognized. I think the record should reflect that, as I think there are members to my left who were prepared to do that, one being the hon. member for St. John's East, another being the hon. member for Esquimalt-Saanich (Mr. Munro), and I think there were others. However, the shortness of time available makes it impossible to recognize all members who want to ask questions on any given day.

Getting back to the point of order, the hon. member has raised the point and has put on the record his grievance in this regard, to which the hon. minister has responded. I do not think we ought to carry on with that. It is well known that whether or not that constitutes a reflection of the attitude of the minister toward the House, the fact of the matter is that it does not constitute a point of order or a question of privilege.

GOVERNMENT ORDERS

[*English*]

AGRICULTURAL STABILIZATION ACT

AMENDMENTS TO PROVIDE FOR DEFINITION OF AGRICULTURAL COMMODITY AND BASE PRICE

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-50, to amend the Agricultural Stabilization Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. McKinley: Mr. Speaker, I rise on a point of order. I had some discussion with the chairman of the committee on agriculture about a meeting which was scheduled for this afternoon. I believe there was agreement that the meeting would be cancelled because of the agricultural legislation in the House this afternoon. I wonder if that could be confirmed or denied at this time.

Mr. Smith (Saint-Jean): On that point of order, Mr. Speaker, I should like to state that it has been agreed that the meeting be cancelled for this afternoon, but the meeting for tomorrow is scheduled as usual.

Mr. Whelan: Mr. Speaker, we have heard an awful lot about food production and guaranteeing producers of food some kind of security, particularly when we ask them to go all-out on production. Whether or not we have a constant supply of domestically produced food in Canada in the coming years is not totally in the hands of the farmers whom we have asked to go all-out on production. Even though our farmers are the top food producers in the world, it takes more than that to be sure we have this kind of production. Farmers also need legislation that will give them the guarantees they need in order to continue producing. Their basic need is a floor price that will protect them against low prices that will ruin them overnight. If we ask them to produce without giving them any kind of security, they will go down the drain.

I was asked earlier in the House whether I had met with the ministers of agriculture for Prince Edward Island and New Brunswick concerning a problem those provinces face today. This problem, which has existed for some weeks, concerns the disastrous prices they are receiving for potatoes in those areas and in other areas of Canada. The price of potatoes has gone down drastically. There is no denying the fact that the provinces of New Brunswick and Prince Edward Island depend to a great extent on returns from potato crops to support their economies. With present prices, these provinces will receive for their potato crops this year less than half of what they received last year; and the situation may become even worse. In any event, the prices received at the present time are disastrous.

Some people think that low prices are beneficial and that producers should go all-out on production, giving away the product in order to offset inflation. All one has to do is check what has happened in the past to find out that this is not so. What happens is that you have a tremendous glut or overproduction, with tremendously depressed prices. This is followed by a shortage of production and an increase in price. So there really is no benefit to the producer and no benefit to the consumer.

We have stabilization legislation on the books at the present time and it did the job in its day. However, today this legislation falls short of being the sort of over-all legislation the farmers need. It is outdated. A guaranteed floor price is required to keep the farmers producing enough of certain commodities to fill the demand, and if we want a strong farm economy in the future we must give the farmers the kind of legislation they need. Statistics Canada has indicated that net farm income is expected to nose-dive by 12 per cent in 1975. I would like to know what other parts of society are being asked to accept such a nose-dive in 1975. Many segments of our society are refusing reasonable offers such as a 25 per cent increase.

Farm input costs have gone up by more than 25 points over the increase in consumer costs during the same period. Statistics indicate that many of those who are producing these important commodities in Canada have not received an increase in income comparable to increases received by people in other parts of society and in other segments of agriculture. I have in mind at the present time the potato growers to whom I have referred. Having regard to the potato growers, let me read a telex which I received from the Quebec minister of agriculture. He said:

> Further to my telex regarding low prices obtained by Quebec potato producers and disastrous situation which may follow with regard to spring sowing, I would like to know immediately if you are planning a special program within the framework of a stabilization bill or other to assure stability of income for our potato producers thus permitting them to be more optimistic about their future.

I might add that the Canadian Horticultural Council is also concerned about this situation. This situation, coupled with other uncertainties that face our farmers, is prompting many farmers to pick up the phone and cancel fertilizer orders, or to call a real estate agent to see if they can get out while the getting is good. Faced with these uncertainties, we cannot have all-out food production. It is legislation of this kind which will prompt farmers to decide not to sell-out but to keep on producing.

Legislation already on the books gives farmers a deficiency payment if the market price in any one year is less than 80 per cent of the average price of the ten preceding years. Nine commodities were automatically covered, but the number of commodities covered by the new bill is somewhat greater. This bill calls for a series of important changes. The first and most important is that farmers will be guaranteed an average of 90 per cent of the average market value, up from 80 per cent. The base period would be the last five years instead of the last ten.

● (1530)

One of the real weaknesses in the old act was that rapid increases in farm input costs could put the guaranteed support levels so far below the cost of production that the legislation would become a farce. This is exactly what did happen in the last two years. We want stabilization legislation to do its job; that is why this bill calls for indexing the support levels to reflect production costs. In this way our legislation will be able to cope with any quick swings in the marketplace. Some people say that is not good planning. I would ask them how they expect, in a world trading pattern, and so on, to do things in any other fashion.

[Mr. Whelan.]

The amendments go even further. They allow for stabilization programs to be set up for products which are produced and sold in a specific region. This will make the legislation much more valuable for commodities such as potatoes and tobacco. We have already spoken about potatoes. When we talk about potatoes, we think of the area of Canada which produces potatoes, commonly known as eastern Canada, with the hope that we can regionalize it. I do not think in this case it would be satisfactory to have a region such as Prince Edward Island and New Brunswick alone. Quebec and Ontario, I believe, should be part of that region. Those provinces produce potatoes, although they do not produce sufficient for their own consumption and import from the maritime provinces.

Anything that can be done to improve the price of potatoes in the maritimes would necessarily be affected by what the market for that commodity is in Quebec or in Ontario. They are all Canadian producers, producing the same commodity for the market. Their costs are similar regardless which province is concerned. Under the new legislation, a region could be that part of eastern Canada which produces potatoes that are consumed mostly in that area. Of the total amount of potatoes we produce, we export only about 6 per cent and many of these are used for seed. The amendments also provide for top-loading. By this I mean that provincial governments and/or producers can increase the stabilization base higher than 90 per cent if they want to pay the extra cost. This gives needed flexibility to the act.

The general stabilization programs undertaken by the federal government for products sold in a national market will be uniform across the country. However, by agreement with provinces and/or producers the prices may be established, as I said, higher than the 90 per cent figure if the additional funds are provided by the provinces and/or producers whether by government grants or by producer levy. None of these programs can work without proper supply management. If we give the producers the kind of program that will give them an efficient operation, they will produce things until they come out of their ears. You cannot have pork or broiler chickens or eggs or anything else coming out of your ears, unless you have to plan a market and a market for all those products. You cannot afford to give them away or, better, ask the producers to give them away. We do not do that in respect of any other commodity, whether it be food or otherwise, in this nation, to my knowledge. At least the person who produces the product is not asked to give it away.

We may be able to use some of these products in food aid programs, but we must make sure we know we have the processing facilities for them. In essence I am saying that we must know where the market is domestically, we must know where it is in the world, and we must know what the requirements are for food aid programs no matter what they be and in what part of the world. Then we produce for that. You do not produce merely in the hope that someone will give you a decent price for your commodity, because in that case you would end up as in deep trouble, as has happened with many of our producers. Some will say that we will destroy the open and free market. I would say there is an open and free market in some of these commodities for some people, but not in general for all the

primary producers, the most important part of our society. They produce the mainstay of life, food.

The bill also does some house cleaning. Wheat produced outside the Canadian Wheat Board will no longer be automatically covered under the act because it is already covered under Bill C-19. The Canadian Dairy Commission sets support prices for butter and cheese, so they will no longer receive mandatory coverage. Neither will eggs which come under the Farm Products Marketing Agencies Act. When this bill is passed, the list of mandatory commodities will be industrial milk and cream, corn, soybeans, oats and barley produced outside the Canadian Wheat Board area, cattle, hogs and sheep. There is also provision for any other farm commodity to be included under the act by the governor in council.

In essence, Mr. Speaker, in respect of the commodities covered under this act, no commodities really are excluded from protection. Under a clause dealing with designated commodities the legislation allows the governor in council to select a new product for stabilization if conditions warrant. There is also a provision in the bill which some of my colleagues in cabinet suggest gives the Minister of Agriculture a blank cheque to support the food producers of the nation. Never before has agriculture and its representative in the cabinet, the Minister of Agriculture, been given that authority. But I want to remind members of the House that before the Minister of Agriculture is granted that authority, there is an inter-departmental committee made up of five departments which studies all things pertaining to agriculture before a decision is made. There also are five cabinet ministers who decide on anything we do. That has been the situation for some time in cabinet. They consider the matter before any major decision is made which affects not only the agricultural producers but also the consumers in this country. Anyone who says that is not so is not stating the fact.

I think this is good, because agriculture is the largest and most important industry in the whole of Canada. One out of every three jobs in Canada depends on a healthy agricultural community. It is most important that the federal government is now probably giving more leadership than in the past, which is so important for the producers of many of these commodities which are produced not only in one province, which are consumed not only in one province, but which are consumed in the large metropolitan areas where our largest concentration of population is located in Canada, and are exported to world markets.

It is most important that we have a national program for these commodities. Some of the provinces have gone ahead on their own with insurance programs. I can tell members of this House that hardly any province which has gone ahead with some kind of program on its own has not asked me when we will get the federal legislation going so that we can work together on the programs already started. We have had lengthy discussions with the farm organizations and provincial authorities in Canada concerned with this legislation. There has been lengthy discussion interdepartmentally concerning the legislation. We have received requests lately from certain groups who wish to appear before the agricultural committee to discuss this legislation, to seek information and to have input. Some of them already are suggesting certain amendments to this bill.

It is a far reaching bill. It is not a lengthy bill, but it is one of the most advanced that any country in the world is providing for its agricultural producers at this time. As I said before, the U.S.A., our big competitor to the south, is asking its producers to go all-out to produce everything they can for society. At the same time they are not offering one bit of security. At the present time in the United States, in some of the most productive areas of that country the farm organizations are taking up a petition not to ask their farmers to increase production but to decrease production by ten per cent. This has not happened in Canada and we do not want it to happen. We want to build confidence in the producers of agricultural products in Canada not only for the good of the producers but also for the good of our society, so that constant production of those commodities will be achieved; this is not only for the betterment of the agricultural community, and not only to guarantee that young people stay in agriculture, but also for the betterment of Canada as a whole.

● (1540)

So long as we have properly planned programs such as this stabilization program, it will cost the government hardly anything, if anything at all, in the long run. It will not cost the producers anything, and it will be a good form of insurance for the whole nation and for all the countries in the world which depend on Canada to supply them with a certain amount of food.

Mr. Baldwin: Mr. Speaker, may I ask the minister a question? It will save the House listening to a speech by me later. The minister has had notice of the question and I understand that he will accept it.

I ask the minister if he and the government have given any consideration to including honey as a product which will be covered by this legislation. I ask this question on behalf of the honey producers, particularly those in the Peace River country, who have by blood, sweat and tears made a viable industry, producing a product which hon. members have some reason to know is of high quality through distributions which were made.

Mr. Whelan: We have received representations from the honey producers. As I said earlier in my short presentation to the House, no commodity is excluded from protection; but it is difficult to include a perishable product as a named commodity without a special kind of program being created. However, if the honey producers want to present a program to us showing their marketing abilities, etc., I am sure it will receive careful consideration, and the product could be placed under the authority of this bill, by order in council.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to debate Bill C-50 may I first point out that, naturally, I was very interested in the minister's remarks and in particular pleased to hear him say that interested groups would be welcome to appear before the committee when this bill is studied there. Right across this country today a great debate is taking place in the farm communities, and perhaps even in some of the larger cities, regarding farm income security, which principle is conceived in wide

terms and generally accepted. The challenge to parliament is how to bring it about so that, as the minister said, it will not cost the government too much, it will provide farmers with security and ensure that consumers can obtain food at a reasonable cost, a concern which has been frequently voiced by consumers in the past year or so.

Therefore, I am pleased to know that this bill will be debated at length, because if a debate is going on in the country the same subject should be debated here where the people's representatives have a chance to amend this legislation or to bring in new legislation to meet the concerns of the people. The minister said that this is a great bill, with wide ramifications. I do not consider this bill to be all that great, nor does it attempt to solve many of the problems faced by the agricultural industry in Canada today. Bill C-50 amends the Agricultural Stabilization Act which came into effect some 17 years ago, back in 1957. At that time it specified the nine major commodities which would be covered by the act.

With the relatively slow rate of inflation at that time, it was felt that a ten-year period for establishing the base price of a commodity was practicable. A mandatory support level of 80 per cent was established for those commodities in 1957. It makes sense that if you cannot control inflation, legislation must be adjusted. That is what this bill proposes to do. When the minister says that the bill is a major improvement because it reduces the base period from ten years to five years, let me point out to him that it is not a major improvement but an absolute necessity. If the country's economy continues to inflate at 16 per cent or 17 per cent a year, I am not sure that the five-year period proposed in the bill is short enough.

If we could be assured of some kind of stability in the economy, I would say that five years is ample, but in view of the inflationary spiral this period should be shortened. The minister himself said that the ten-year period laid down in the act was too long and that in the last two years the program has not worked. This was apparent in the last two years. Therefore, I think the minister should reconsider the five-year period and perhaps shorten it to two years on the basis of his own figures.

I should like to make a few comments about the percentage of support which should be mandatory. As I said previously, in 1957 the act provided for mandatory support of 80 per cent. It is a well known fact today that it takes a large amount of money to produce anything in an industry as labour-intensive industry as agriculture. To cut down on the amount of labour, machinery must be purchased. It is extremely difficult to get men and women to work on farms today as they did 30 or 40 years ago, and therefore farmers are forced to use machinery to replace manpower. It is obvious that with the greater use of machinery, production and efficiency are increased.

There is a question which I should like to put to the minister. I listened closely to him when he said that 90 per cent support by the federal government was mandatory. Am I to understand that provincial support and the support of producer organizations would be on top of that? Am I to understand that the federal government will not go higher than 90 per cent?

Mr. Whelan: No, that is not so.

[Mr. Horner.]

Mr. Horner: I am glad to hear the minister say that assumption is wrong, otherwise I would have castigated him severely because I believe that from time to time there are commodities which because of economic and regional pressures should receive more than 90 per cent support. I would like to think that the federal government is not limited to 90 per cent. Certainly 90 per cent is the floor; however, it is only that for the mandatory commodities. What Bill C-50 is doing is reducing the mandatory commodities. It is taking wheat, butter, cheese and eggs out of the act. We started out with nine commodities and now we are left with five. So, really, when the minister says to the agricultural communities in this country that this is a revolutionary and far reaching bill, he must realize that it also narrows down the responsibility of the federal government to the agricultural industry.

● (1550)

We started with nine mandatory commodities and we are ending with five—four less than we had. It is all well and good for the minister to say that the commodities which are being taken out are covered in some other way, but we are actually dealing with six commodities out of the nine, not four as I mentioned, because wheat, oats and barley will be covered by Bill C-19. Does that legislation give the same 90 per cent coverage? When saying that cheese and butter are covered by the Dairy Commission, we must ask ourselves if there is any guarantee that they will cover cheese and butter. Is there any written guarantee in the Dairy Commission legislation? Some of us would like to think there is. There may be a moral obligation, but that is about all; there are no guarantees.

Consider the famous egg question. Eggs will no longer be covered by this stabilization bill. Let us consider what the minister said, quite rightly, that eggs are protected under the Farm Products Marketing Agencies Act. What kind of guarantee is there in this agency with respect to eggs? Is there as good a guarantee as in the Agricultural Stabilization Board? Here, again, I have to say no, there is not. What assistance has the Farm Products Marketing Agency received from the government? It received $100,000 to become incorporated and to start buying eggs, and that is all. What does it cost the provinces? I do not know what it costs Ontario and Quebec, the large producers in the egg business, but I know what it costs the province of Alberta. The provincial egg marketing agency in the province of Alberta started the year with a surplus of $160,000. After it had paid its dues to CEMA it was in the red by $447,000. That totals a little better than $600,000. If the Farm Products Marketing Agency had the same support as the Stabilization Board, the federal government would be picking up part of that cost.

The $600,000 which applies to Alberta was for 8 per cent of the total market. One has to ask how widely supported they were. What support did the Agricultural Stabilization Board give to the egg agency, the minister's great dream? The minister is now changing it from 80 per cent to 90 per cent. He could have increased it to 102 per cent, 120 per cent or 130 per cent in the past year if he had wanted to help the egg agencies and CEMA to operate. He did not. The floor price on eggs, in 1974, under the Agricultural Stabilization Board was 30½ cents, and that was the bare

mandatory limit of 80 per cent. The ten-year average was 38.2 cents a dozen.

The minister did not use the authority he had under the act and increase the percentage to help the egg agencies and the egg producers across Canada. He was not interested. He thought the Farm Products Marketing Agency could handle it. That agency put the bite on the egg producers. Alberta egg producers would have to charge 6½ cents per dozen on eggs alone to pay the debt to CEMA for one year's operation. That 6½ cents per dozen is about 10 per cent of the price the producer receives for his grade A eggs. That takes most of the profit out of egg production. What percentage of eggs are breakers, and what does 6½ cents do to the price of breakers? It means something like 20 per cent.

If the minister thinks he can hoodwink anyone by suggesting that this bill has wide-ranging ramifications and that it will be the answer to agricultural problems, he is mistaken, because he could have helped the egg producers of Canada without this bill. Why didn't he; that is the question that should be asked by the egg producers across Canada if they come before the committee. They should be asking why the government was not interested in helping them in setting up the Farm Products Marketing Agency to handle poultry and eggs. The minister thinks he can divorce himself from responsibility for those commodities. In his speech this afternoon he said something about supply management being the answer. Supply management has been tried, without government help, and it did not work very well. The government, with the present minister, I suppose can enjoy some degree of popularity among farm communities, but when the truth is known about their callous disregard for our farm communities, as they demonstrated to the egg producers, they may not be quite so popular.

What is the aim of Canada in respect of agriculture? I think it is the aim of many countries to be as self-sufficient in food as possible. We discovered that in the sugar industry. We found world sugar prices rising. We had no cushion or guarantee whatsoever because we only produce about 9 per cent or 11 per cent of our sugar requirements, mainly through sugar beet in Manitoba and Alberta. I think every country attempts to become self-sufficient in agricultural production. It is one of the first things a developing country attempts to do. We must also look at the world in which we are producing food. We must ask ourselves whether we have an obligation to produce more than we need for our own requirements. If we have the ability to produce, should we encourage that production so we can get into other markets and help the many starving and less fortunate people throughout the world? I think that a country as rich in resources as Canada should proudly indicate that it is prepared to help. We should use our resources to help the world meet its food requirements.

Let us consider the present and the expected world population. I think by the year 2000 the world population will have more than doubled. However, the area required to produce food will not have increased and in fact may well have decreased with the urbanization of some areas in the United States and Canada using up valuable agricultural land. Canada should aim to be as self-sufficient as possible and make an attempt to get its products into world markets. If that responsibility is accepted, a very long and careful look at this question of supply management must be taken.

I can understand the concern of many people over the cost of agricultural products today. Huge amounts of money are needed to capitalize, to increase production and to create greater efficiency of production. I can understand the desire for income security on farms because of the amount of money borrowed, the amount of money spent and the high interest paid on debts. But I say that if we accept the obligation we must take a long look at the concept of supply management. When I consider the Agricultural Stabilization Board, some of the mandatory commodities, how well we have done and how much money we have poured into certain aspects of agriculture, I wonder whether that money has really promoted more production or whether it has had a tendency to decrease production.

● (1600)

One of the industries most often referred to is the dairy industry. I have the figures here to show how much money was spent to maintain it. I am not going to put them on the record, Mr. Speaker, because as a member of this House for 17 years I am ashamed of them. The money spent has not maintained the industry. A few years ago the province of Alberta was losing four dairy farmers every day, and I think that figure was pretty well representative of the whole of Canada. As legislators, we must ask ourselves why we are still losing the industry in spite of all the money that was spent on it. I do not think I have eaten Canadian butter in my own home in the past two years, Mr. Speaker; it has all been New Zealand butter.

Some hon. Members: Shame.

Mr. Horner: Yes, I think it is a shame.

An hon. Member: You could buy Canadian butter.

Mr. Horner: I suppose I could if I went to the hon. member's province, but the stores around my home do not sell Canadian butter.

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

Mr. Deputy Speaker: Order, please. The minister has risen for the purpose of asking a question. This can only be done with the consent of the hon. member.

Mr. Horner: Certainly.

Mr. Whelan: Mr. Speaker, I wonder if the hon. member is aware that on the average, industrial milk producers in Canada get $2.80 per 100 pounds more than producers in the United States at the present time. Also, that there is an increase in milk production now.

Mr. Horner: Mr. Speaker, I am not arguing about how much farmers are paid. I said I had the figures here. But we as legislators must question the manner in which the money is spent, if we are still losing the industry. What is wrong? That is what I want to know, and I hope in the debate on this bill that question will be dealt with. Why

have we spent so much money and yet continue to lose dairy farmers all across the country?

The minister admitted that our neighbour to the south is our main competitor in the agricultural market. They are going all-out to produce as much as they can. Just a few years ago the United States had a program which paid their farmers not to produce. They also had a land retirement program through which some 60 million acres were retired, but it is now back in extensive agricultural production. They are being encouraged to put the land back into production because that country has a balance of payments problem with regard to energy. They want to sell agricultural goods throughout the world to offset their high expenditures in energy. We must recognize that they are a keen competitor.

It is all very well for this bill to give mandatory support and have the object of farm income security, but this should not be at the expense of efficiency on the farm. I am a farmer and I know how farmers hate the word "efficiency", but I am speaking generally of the agricultural industry. I am very concerned when I hear of Australian cattle selling for eight cents, nine cents or ten cents per pound. I wish I could do something about their costs, but I cannot. We should be able to do something about costs in this country, however, to ensure that we remain competitive throughout the world.

We should be as self-sufficient in agriculture as possible, but we cannot isolate ourselves from the trading communities of the world. From time to time we may put a temporary embargo on commodities coming into Canada in order to provide some protection to the industry. For instance, strawberries should only be allowed into British Columbia after their crop is in. We should not allow dumping of agricultural commodities in this country. But we should recognize legitimate competition. If the object of this bill is to isolate our community from the rest of the world, that is a step in the wrong direction.

It is up to the Minister of Agriculture (Mr. Whelan) to help the industry remain as competitive and as efficient as possible. When the Agricultural Stabilization Act was passed, its purpose was to shore up the industry from time to time. The nine commodities it covered were considered to be those that affected our agricultural economy; butter, cheese, eggs, wheat, hogs, sheep and cattle all had an economic effect on our various regions and, indeed, on the whole of Canada. This bill narrows the responsibility.

The minister spoke of Canada's aim. This is something which concerns me also, Mr. Speaker. Having chosen agriculture as my vocation, I am very proud of that way of life. As more and more capital is required, agriculture becomes pretty big business; and when that happens perhaps some of the zest for that way of life is lost. I think the minister's remarks on this bill should be examined. It is not good enough for him to be suddenly concerned about the potato industry.

Mr. Whelan: I used that as an example.

Mr. Horner: The minister's remarks about the price of potatoes in New Brunswick and Prince Edward Island are too little and too late. Potatoes have been around for a long time, and in the past they have been supported by the Agricultural Stabilization Board. If the minister had been as concerned as he would have people believe, he could have given the industry support without coming to parliament. He did not have to wait. He must have known the situation because surely the figures were available. It does not take a genius to realize that if it costs $600 an acre to grow potatoes in New Brunswick and the farmer receives only $200, he cannot survive. If the government had been really concerned about the potato industry it did not need to wait for Bill C-50 to offer some help. The same thing is happening with potatoes as happened with eggs. The minister tried to put that matter in the hands of another board. Another board is not the answer. The aims of Canada and the Minister of Agriculture have to be guided. Let us consider the cattle industry. I did not particularly want to speak about that industry because I am involved in it and some people claim one becomes self-motivated when looking at one's own industry. The minister blundered about in that industry for a whole year with on again, off again subsidies.

● (1610)

A couple of weeks ago I asked the minister in the House for some assurance with regard to the 42 cents a hundred on beef. I asked whether that assurance was being given to the beef industry. The minister replied yes, it was. I then made the modest request that it be averaged twice a year. The minister's answer is recorded in *Hansard*: he said "impossible". I was so dumbfounded that I did not ask a supplementary question. I thought there must be something wrong and I would ask the question the next day. In committee, I put that suggestion to the livestock people of the minister's department. They said, "No, it is not impossible. We are averaging it every month right now." Certainly it could be done every six months. It is a question of not doing it too often and not having to make the payments too often. It is a value judgment. Being civil servants, I knew it was not their judgment as to how often would be too often, but surely the minister cannot say that every six months is too often. Some provincial ministers of agriculture would like this to be done quarterly. I have nothing against doing it quarterly. I am perhaps more generous and understanding of the minister's problems. Every six months would satisfy me and I am certain it would satisfy the agricultural industry.

Mr. Whelan: I told you we are reviewing it.

Mr. Horner: The minister says he is reviewing it. That is what he told the potato producers of Prince Edward Island. That is what he told the egg producers after it had cost them $75 million.

Mr. Whelan: They have never had better prices for their eggs.

Mr. Horner: Last year it cost the egg producers $75 million. Only $100,000 came out of the pocket of the federal government. It is not good enough to come along after the fact. The minister should be on his toes. The Stabilization Board gives him plenty of authority and plenty of time. Last fall I spoke about the problems in the cattle industry. I said in this House that the minister should pay $50 a head with respect to every cow that goes to slaughter. Possibly the minister could have obtained some assistance

on that from the provincial governments. It would have been a step in the right direction. It would have removed a certain number of cows from the market. We would then have been able to look at 1975 in a more confident way. It was all well and good for the minister to come along last September with a two-bit program on cow slaughter. It was really a 2 per cent program; 2 per cent of the cow herd over three months.

Mr. Whelan: It is $8 a hundred more than they are getting in the United States.

Mr. Horner: The minister should check his figures. Yesterday his officials told me it was $6.70.

Mr. Whelan: I am going on the average for that length of time.

Mr. Horner: In any event, it was a 2 per cent program that was introduced in December. It will only last until April 1. It should have been brought out in September. It is no good having a minister of agriculture who looks and talks like a farmer but does not have the ability to stay ahead of the agricultural industry. It is easy to criticize the minister's program and say it is too little and too late. Provincial ministers of agriculture came to Ottawa in the past year asking the federal Minister of Agriculture to show some leadership because this is a national problem.

The minister made a rather interesting speech this afternoon. He said that under Bill C-50 the program can be regionalized. I think that is good, because that has been part of the problem in the past. For example, the embargo on potatoes in the maritimes hurt the maritimes, Alberta and other parts of the country. I listened to the minister closely when he said we can regionalize. However, he said the maritimes must realize that the region will include Quebec and Ontario. I am sure the maritime members would welcome the chance to govern Quebec and Ontario, but that is hardly regionalizing.

Mr. Whelan: It is.

Mr. Horner: The minister says it is. Well, he can go to the maritimes and tell them it is regionalizing. He can go to the farmers in New Brunswick and Prince Edward Island and tell them how this regionalizing will give them income security. Quebec producers of potatoes can outproduce those in New Brunswick. There is no regionalizing.

Mr. Whelan: They have to be together.

Mr. Horner: The minister says they have to be together. That is an amazing statement. Anybody looking at a map of Canada can see that is not possible.

Mr. Whelan: Co-operation can solve anything.

Mr. Horner: It may solve everything, but don't go around saying that under Bill C-50 the program can be regionalized.

Mr. Knowles (Winnipeg North Centre): Who has the floor?

Some hon. Members: Hear, hear!

Mr. Horner: I appreciate the hon. member for Winnipeg North Centre (Mr. Knowles) trying to defend me. I am going to end my remarks because I realize my time has nearly expired. As we look ahead there will be many challenges to face. The energy crisis caused some problems in agricultural production. Japan and Germany have ceased to take any more agricultural products than they absolutely need to feed their nations. However, we must also realize that the energy crisis that is causing problems for the industrial world is bringing money to underdeveloped countries. They will be able to buy agricultural commodities and we will be able to sell to them.

The minister said it is very difficult for the government to buy products under some kind of support program because you cannot then give them away. He said you cannot do this, and you cannot do that. I say there is no difficulty whatsoever. The government can buy all the goods it wants. There is no problem in canning meat; it has been done before. There is no problem in buying potatoes from Prince Edward Island or Alberta; it has been done before.

Mr. Whelan: What are you going to do with them?

Mr. Horner: I just said the underdeveloped countries will have money. They will demand food. They will want a higher standard of living. The government has bought these products before. It has bought potatoes and it has bought pork. I quote from the 1973-74 annual report of the Agricultural Stabilization Board:

Quantities of board potatoes were processed into starch—

Why can the minister not do this now? Why did he not do it last December when prices were falling? I say to the minister that the underdeveloped countries will have money. Take Nigeria, for example. That little country which is almost in the centre of Africa produces as much, if not a little more, oil than Canada. It has no means of using that amount of oil. It is for sale. Nigeria is going to be wealthy, and it will be wanting food. We can produce and we can also turn off production. Farmers want to produce. That is why they go into agriculture. They want to see things grow. They want to run their hands through the soil to see what it will produce.

● (1620)

It is the same with livestock men; they want to see animals grow; they want to produce more animals. Don't turn the farmers off by saying, "I don't know what to do with these potatoes. I don't know what to do with these cows." The government must show some imagination. Between 1972 and 1974 the minister enjoyed a great deal of support in cabinet. Since then the hon. gentleman's popularity has declined. They do not need him now, so they are cutting down the amount in his pocketbook. He can no longer envisage great programs. He asks, "What shall we do with these potatoes?" He brings a bill before parliament and describes it as the most revolutionary legislation in the free world. Mr. Speaker, legislation will not solve the problems of the agriculture industry. Heart and desire will. The minister appears to be burdened with a great load; on some days he looks tired. Let us gear him up. We are prepared to push ideas at him and help him with his job.

Mr. Whelan: Give us some ideas, then. I have not heard any from the hon. member.

Mr. Horner: What he now proposes is too little and too late. Let him get on with the job and show leadership in the field of agriculture. Do not turn off production but, rather, turn on production because the underdeveloped countries are waiting for this food.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when the minister opened this debate I expected to learn about some new direction the government intended to take in order to improve the position of those engaged in agriculture. However, as the previous speaker has said, this bill is completely unnecessary; it does nothing that the old bill could not do, and it contains no new ideas. It sounds very much as though the Minister of Justice (Mr. Lang) had drafted it. It is merely a reworking of a bunch of words. The minister and the department will have to produce new solutions to agricultural problems.

When the first bill was introduced, prices of agricultural products were relatively stable; declining levels were relatively easy to calculate and predict. That is not the situation today. The government, by one means or another, has been able effectively to eliminate all surpluses in all agricultural commodities. This afternoon the minister talked about potatoes. There is no surplus in potatoes. What has happened is that in most parts of Canada potatoes are so expensive that people are not using the quantities they used in the past. It seems to me that when potatoes are selling to the public for 79 cents for five pounds, and when the farmers in the maritimes find there is no relationship between the price they are getting and the price paid by the consumer, there is something very wrong with the whole process and that the minister should be looking at it.

Mr. Whelan: What do you think we are doing?

Mr. Peters: Well, if you are looking at it, it is not being reflected in legislation.

Mr. Whelan: The hon. member knows as well as I do that there is legislation on the books.

Mr. Peters: I wish the minister had made his speech when he had the opportunity.

Mr. Whelan: You were not listening.

Mr. Peters: The Minister of Agriculture (Mr. Whelan) has not made a speech for a long time, and the agricultural economy has changed drastically since I last heard him. I expected him to say something about these problems. If the minister wanted to pay a subsidy to farmers in the maritimes who are producing potatoes, all he had to do was pay it; the legislation providing for subsidies is wide open.

Mr. Whelan: We did it for seven years.

Mr. Peters: Certainly it was done for a number of years. But why does the hon. gentleman not have the guts to do it now? Why must he wait until farmers are destroying potatoes which ought to be going to feed consumers who need them either in the domestic market or elsewhere?

[Mr. Horner.]

The minister talks about an arrangement between Ontario, Quebec and the western provinces. In other words, he is not talking about regionalization at all. Regionalization implies dealing with the area in which the problem has arisen. This is what the minister should be doing, and he has not done it.

Frankly, this amendment to the stabilization legislation is not needed. The Agricultural Stabilization Act set no ceiling, no limits. The governor in council could put any price under potatoes he wished as long as it did not fall below the 80 per cent level on a ten-year average. The minister cannot say he was unable to make changes. He may not at present have the staff to enable him to do it, but it is certainly not because the act fails to provide him with the necessary authority.

We gather from the minister that he has unlimited access to the financial resources of the country, not subject to the control exercised by five of his senior cabinet colleagues. In that case, why does he not take action? It is not difficult to set a fair price. The minister could set the price for potatoes at 10 cents per pound; he would not find any flood coming back from other parts of Canada.

Mr. Whelan: Check the storage in Quebec, Ontario and the maritimes. It was about 40 per cent up, compared with last year.

Mr. Peters: The minister says he has checked the storage in the maritimes and Quebec and that there is a large quantity of potatoes in store. He says there is a surplus. In that case, the surplus is not only in the maritimes; it is in the rest of the country as well. This does not mean he cannot put a decent price on potatoes. It does not mean the potatoes have to be fed to the pigs, as we did during the depression. People are paying high prices for potatoes in the stores.

● (1630)

Farm problems become compounded when there is a surplus and when the minister is unwilling to impose controls. Subsidizing the production of some commodities does not always solve problems. Let me refer to three commodities which were very much to the fore in days gone by—butter, skim milk and sugar beets. Sure we had problems with those commodities, and sure we solved those problems. How, Mr. Speaker? We discouraged production. Now there is a shortage of skim milk powder. Looking ahead, it is easy to foresee that not enough fluid milk will be produced in this country unless farmers are given some assurance that markets will be stable.

Today, the farmer is a specialist. In the old days he was content if he planted four or five acres to potatoes, to sugar beets, turnips and other crops. He grew his own corn, kept some beef cattle on the property, and about 500 hens. If he encountered problems, they had to do with only one or two commodities. What has happened? We established quotas and drove small butter producers out of business. At one time there were many farmers in Quebec. Ten or 15 years ago, in my area, there were 1,400 farmers; now, about 400 work about three-quarters of the original land. They work harder than ever and make less money than ever.

The other day I talked to a relatively prosperous farmer in my area who runs a farm operation worth between a quarter and half a million dollars. He said that he made more money from the interest on his bank deposits than from his farm operation last year. He made less than $10,000 from his farm. If we want to lend young farmers $150,000 as an inducement to take up farming, we must create the kind of climate in which farmers can make a living and pay the money back.

Also, we have a responsibility to consumers. We must make sure that farmers produce all the commodities which consumers use, and in sufficient quantity. Only if we give guarantees will farmers stay in business and produce food. What has been happening, Mr. Speaker? In Ontario not enough of certain commodities is being produced. For example, fluid milk production is down. It is possible that not quite enough is being produced. Not enough cheese is being produced and not enough butter. Oh, yes, we can stabilize production of these commodities, but at some cost. You stabilize markets by creating shortages. The Canadian Dairy Commission paid out, in the period 1973-74, about $143 million for industrial milk production. That is how much it cost us to stabilize a market.

The minister must know which commodities need stabilizing, which need designating and what are the problems in agriculture. Price, as well, can be designated. I do not think Canadians have complained about necessary farm subsidies. All the same, I do not think the minister has met his responsibilities adequately. Consider what has happened to cattle. Farmers listened to the government and slaughtered low grade cattle; the government provided a subsidy for top category cattle. Clearly, the cattle business needs help. The governments of Ontario, Quebec and the western provinces subsidized the cow-calf operator because he was the weak link in the beef production chain. Despite this help, the price of day-old calves dropped from a high, two years ago, of between $67 and $70 to a low of $2 and $3. This happened in my area. Although the provinces and the minister wanted to help the cattle industry, they did not do enough to help the cow-calf operator.

Perhaps the minister does not really understand agriculture; perhaps he only knows how to grow corn and soybeans. In any event, his attempts at stabilizing production have not always helped. In the case of eggs, government intervention was not helpful in the least. But one thing is clear: if you want agriculture to continue, you must give people incentives to stay in the agricultural business. Today our farmers, on average, are reaching the age of retirement. Most of them are over 50. Unless we entice young people into agriculture, it does not matter very much what we do about the price structure. What difference does a price structure make if you cannot induce people to take up an occupation in which they must work sometimes seven days a week for unlimited hours? If young people do not want to take on the job, there will not be an agricultural industry in this country's future.

Farmers are more necessary than ever, because so-called industrialized farms do not work. Some time ago one heard a great deal of talk about vertically integrated farm operations or corporate farms which many thought would be a great success because of their supposed access to markets. Well, the experiment was tried and found to be not successful. My hon. friends from Quebec know of the experiment in the broiler industry. Farm corporations hired farms and farmers to look after the hens, gave them 10 cents per bird and supplied all the money for the operation. The farmer had to supervise the operation. The corporations rented the buildings, paid for the feed, bore all costs and were responsible for marketing. But, Mr. Speaker, such farm corporations time after time have gone broke. Clearly, farming does not lend itself to vertical integration. That is the case not only in this country but in other countries such as Russia where corporate farming does not work. You cannot run a farm on an eight-hour day. When the sun shines, you make hay, and when it rains—

● (1640)

An hon. Member: You make love.

Some hon. Members: Hear, hear!

Mr. Peters: Perhaps you whitewash the barn or you do something else. With government intervention in agriculture today, requiring income tax forms, farm reports, unemployment insurance payments, compensation payments and all the other things, the farmer has to spend all his rainy days doing the necessary bookkeeping rather than taking it easy. In any event, there has not been much success in corporate farming in this country or in other countries such as Russia, but that appears to be the direction in which the minister is moving. I suggest the alternative is simple. We must help young people to get into the agricultural industry, and to do that we must have stabilization of prices.

What is wrong with stabilized prices? What is wrong with the formula we used before? In the past we took 80 per cent of the ten-year average as the prescribed price for given commodities. Inflation has had its effect on this ten-year average and there is absolutely no relationship between the input costs to produce a farm commodity ten years ago and the input cost of producing that commodity today. Let me give an example. If you were feeding poultry ten years ago, you were probably buying feed concentrates at $35 or $37 a ton. Today the cost could be anywhere from $200 to $300 a ton. So there is no relationship. And, of course, we do not have indexing. This should not be accepted as an excuse for the government's inaction in respect of the use of the Agricultural Stabilization Act. Perhaps at the time this act was adopted the members were smart in that they did not put in a ceiling. When you stabilize things there is no need for a ceiling. This is within the minister's discretion and he can take into account the increase in input costs and the fact that the use of fertilizer has become more necessary and it is more expensive. It is very necessary to use fertilizer in order to produce on farms that have been in production for a long time.

We must develop a program to provide reasonably stable prices. I do not believe it is acceptable across the country to have the potato producers in the maritimes or in Ontario selling their product at such a loss that they will not be able to buy fertilizer for their crops next year. In fact, if there is any danger of a large portion of the potato

crop being lost this year, many of those growers will not be able to buy the gasoline necessary next year to operate the equipment required to put in the crop.

I suggest that would not be in my interest, certainly not in the interest of the producers and, more importantly, not in the interest of the Canadian public. We will all depend on the production of potatoes next year, the year after and the year after that. If these producers leave the farm, they probably will not return. I do not see any evidence to indicate that this government realizes that in order to keep the young people in agricultural production, they will require a great deal of assistance. Unless we keep these people on the farms we will have shortages of potatoes and many other agricultural commodities.

It is a national disaster to have energy resources limited, because we will not be able to enjoy the kind of life we have enjoyed in the past. This is a very unfortunate situation and I am sure everyone will lament the end of a period of energy abundance. This does not have to be the case in respect of agricultural production because these commodities are renewable. We can increase production as long as we are willing to stabilize profits. Before the end of this debate I would like the minister to tell us why he has done nothing about the present problems in respect of potato production or the cow-calf operation. Why has he not done something about these situations?

From my understanding and experience, there is very little the minister cannot do to help the agricultural industry. I am not suggesting that he should take measures that will result in cutting off commodities from the United States, but any minister of agriculture who allows commodities to be dumped across the border into Canada at a lower price, or even at a competitive price, is not doing his job. The Minister of Agriculture should not allow another country to use Canada as a surplus warehouse for potatoes, tomatoes, root crops or anything else. As long as the minister allows that to happen, he is failing this nation which depends on our agricultural industry as a cheap source of food. Our industry has always provided Canadians with food at reasonable prices and the industry is still doing this.

Mr. Whelan: Mr. Speaker, I rise on a point of order.

Mr. Peters: Mr. Speaker, I would be very happy if the minister made a speech in closing this debate, before the bill goes to the committee, rather than ask questions.

The Acting Speaker (Mr. Penner): Order, please. The minister seeks the floor on a point of order.

Mr. Whelan: Mr. Speaker, I am sure the hon. member would not want to leave the wrong impression on the record. He suggested that poultry feed supplements today cost about $300 a ton. The highest price I can find on record for poultry supplements of any kind is $183, with soybean meal running at an average of $150 a ton. I just wanted to correct that figure as the hon. member suggested it was $300 a ton.

Mr. Peters: I suppose it depends on what you are talking about, as there are many prices for concentrates. I was not really being specific; I was just trying to draw a comparison between input costs over the last ten years. If the minister says that concentrates sell for $110 a ton, and will agree that they used to sell at $10, $15 or $20 a ton, that is all right with me. The minister apparently missed the point I was trying to make, so I had better say it again. Input costs have gone up out of proportion to the price of the commodity whatever it may be. If you take 80 per cent of the ten-year average, you are relating it to the selling price of the commodity but the input costs are not really taken into account.

This bill does have a clause for indexing, but that indexing is not tied to input or anything else. It seems to me that all it is saying is that there will be an indexing aspect, but even without that indexing clause the minister still has the right to stabilize prices. There was never any doubt that he could set the price of a particular commodity. We had a floor, but there was no ceiling on it. We could have continued to subsidize as high as necessary. That was a judgment the Stabilization Board made concerning the level. Over the years many commodities have been subsidized. We might look at the list which appears in the annual report. We find, for instance, that potatoes were subsidized. The report reads:

● (1650)

Order in Council P.C. 1972-8 of January 18, 1972, authorized the board to purchase a minimum of 200 hundredweight and a maximum of 1,333 hundredweight of Canada No. 1 grade potatoes from individual producers. Initial payment on acceptance of the board's offer to purchase was to be 75 cents per hundredweight to each eligible producer, plus an additional 75 cents per hundredweight on delivery to the board of all potatoes purchased by the board from the producer. Quantities of board potatoes were processed into starch, or fed to livestock, and the total expenditure in 1973-74, exclusive of the principal amounts paid in the 1971-72 and 1972-73 fiscal years was $35,927.

The subsidization was 1½ cents. That does not seem to me to be any great bargain. I presume that because there was no particular fuss last year, it was a help; but it cost the Canadian public $35,000. If we could reduce the price of potatoes in the store by 20 cents on a ten-pound bag, we could pay the producer an extra three cents. It really does not make any difference to the consumer whether he pays it in the form of a tax or over the counter.

I do not believe we have done anything to solve these problems as they have developed. We have been too generous with our friends south of the border who have caused this country immense difficulty for many years. Now, in looking at GATT, it would seem that it is time we gave a new definition to "dumping" in this country. It has always been held that if hot-house tomatoes sell for 69 cents a tube, and tomatoes come in from the United States or Mexico, from the field, at a price in keeping with their own price and below our price, no assistance could be provided. So the stabilization bill over the years did provide assistance in this field. I think most members will support this bill. I believe it should be kept in mind, however, that in reducing the ten-year period to five years, if we cannot in some way compensate, by indexing for the rise in input costs to the farmer, and cannot bring that into relationship with the price he receives in the particular year for his commodity and use that as an index so we will be in a much better position to decide what is a fair price to the farmer and decide on it in conjunction with the farmer, we will not have the kind of stability we want.

The five-year average has not solved this problem. My impression is that indexing will not solve it. In effect, in respect of this bill we are agreeing that although we set a floor price there is in fact no mandatory floor price established for any commodities that are outside the designated commodities, and there is a floor price only for those designated commodities when they meet the requirements of the five-year average. That is totally out of line. It does not take into consideration the escalation of costs. It would appear to me that there is no way that the index, which is not spelled out in the legislation, can apply to that five-year average so as to create a solution to the problem I have indicated. If we look over the period in which the Stabilization Board has been in operation, and consider the fact that in those years we have paid roughly $1½ billion for the subsidization of agricultural commodities, and if we apply that to the assistance that has been provided to the individual from that payment, we will find it has been responsible to a large extent for keeping many of our farmers in production and has made it possible for them to continue in a viable industry.

It is interesting to look at what some of these products have been. The major one, of course, has been milk, mostly butter products. The amount in that case is $136 million. The amount in respect of skim milk is $15 million. In respect of milk for manufacturing the amount is $154 million, and for cream for manufacturing the amount is $83 million. Other products we have supported over the years received amounts considerably less that the amounts for that industry. These involved such things as hogs, in respect of which we paid $92 million so that the producers would remain in the hog production industry in this country. It is much easier to get into this type of production than it is to get out of it.

We have assisted producers in respect of lamb, wool and potatoes over a period of 16 years by paying almost $9 million to stabilize the prices. Here is an interesting one: we paid $38,805,119 to stabilize the sugar beet industry, yet this government allowed the closing of all the sugar beet factories in Ontario. While the government embarked on an open market sugar policy, it made it possible for only a few sugar beet plants to exist in Manitoba. This is a field in which we would have been able to provide a buttress against the world price of sugar. I am surprised that some friends of the minister did not tell him this when the industry closed in Ontario, because we were in a position where we could have produced, had we had the factories, probably 50 per cent of our own sugar without much difficulty.

In my opinion, this legislation has been a valuable asset to Canadian farmers. I also believe it has been a valuable asset to the consumers of Canada. It has enabled the government to provide assistance to agriculture in this country. Farmers have not become rich on any agricultural commodity in this country, not even on soybeans. Many times they have had to give up making payments on their farms so that they could provide Canadians with a cheap product. When things became really desperate we assisted them, but only in a very small measure, through the stabilization act.

● (1700)

My criticism of both the old act and this bill is that it is left entirely up to the Minister who administers the act to decide whether or not an order in council will be passed, and whether it will be passed soon enough to be of assistance to farmers. Right now there are many young farmers who cannot make payments on their farms because they cannot sell their calves at a price that will carry the cost of the operation. I am sure that many producers of potatoes in the maritimes which sell at 1.5 cents per pound are not able to carry their production costs and therefore are not able to make their payments. These are two agricultural products on which the minister could ask for an order in council in cabinet tomorrow.

Under the act some things are prohibited, but the minister is certainly not prohibited from designating any commodity that he wants to designate, and set any price he thinks is appropriate. Another thing that has never been impossible to do is for this House to pass support legislation for agriculture, because all consumers in this country know very well that farming is a marginal operation which brings marginal returns, yet it has been providing consumers with food of a very high calibre, often at unreasonably low cost.

In closing, I would say that the minister should make the speech at the end of this debate that he neglected to make at the beginning. I have defended this minister day in and day out to farmers in my constituency. I say that as Minister of Agriculture he is responsible to farmers, and he is excercising this responsibility. But I say that responsibility to consumers belongs to another minister. Yet farmers ask me why, if the minister is responsible for looking after them, they are in such bad shape. I say this is a question that only the minister can answer. This bill would have allowed him to do many things which he has not taken the opportunity to do.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, it is always quite interesting to follow a debate dealing with problems in our farming industry. During the past few years, some strange things have been said on the condition of farmers. I remember among others that a former minister of agriculture had stated that a farmer merely needed four cows and two sows to realize a net income of $2,000 yearly. The minister was not re-elected, because nobody took his word. It is really absurd to say such things.

In my opinion, if it were so easy there would be no marketing problems for farm products. The problem highlighted during consideration of Bill C-50 has existed for many years. We are beating about the bush. We are looking for solutions and when they are found to be inefficient, they are altered and we then say that we will try over again if necessary.

This reminds of the day when, in the Standing Committee on Agriculture, the present Minister of Agriculture (Mr. Whelan) as a member of parliament, reminded the former minister of agriculture of a few things and asked him whether the alternative formula had been drawn up by economists or other civil servants. He added that economists have a gift for making us try a formula, of getting us down in the hole and then dropping us in it, but

that they do not produce formulas allowing you to come out of it.

How true! Even today. To wit, the many studies made in Canada, by the provinces, commissions of all sorts, on farming problems. Reports have been tabled, studied; laws have been passed but the problem remains the same because we do not delve into the basic issues.

This is so true, Mr. Speaker, that during the 1957-58 session, at which time I myself was active as a farmer, we had marketing problems, if not total chaos, and we could not make up from the sale of our products our production costs, let alone make profits.

An election was held at that time. A program was submitted to the electorate by a party which assured us that legislation would be passed to stabilize farm incomes, farm product prices. We were quite happy. We followed closely the debate that took place in this House. It was a debate on the Agricultural Stabilization Act, Chapter A-9, that could be summed up as follows:

● (1710)

Considering the advisability of enacting provisions in order to stabilize farm product prices to help the agricultural industry get a fair return on its work and its investment, as well as to maintain a fair balance between prices received by farmers and the cost of commodities and services they buy, that is what will provide farmers with a fair share of the national income. It was the way I just quoted during the 1957-58 session.

We are now in 1975 and working to amend that act which did not give the results we had hoped for; we are now patching it up, and trying to amend it in the following way:

His Excellency the Governor General has recommended to the House of Commons the present measure to amend the Agricultural Stabilization Act to amend in the manner prescribed the definition "agricultural commodity";

An agricultural commodity is not difficult to define. It includes all commodities produced by farmers, by agricultural producers. There are many of them, and I think all producers need to have some protection so as to be assured an income from that operation.

It goes on to say, and I quote:

to shorten from ten to five years the period from which the base price for each agricultural commodity is determined, and to alter in the manner prescribed the method of establishing the prescribed price in relation to a named commodity and in relation to a designated commodity;

I quite agree on setting up a period, I quite agree on shortening this study, because it would only be fair to the producers of today, to do away with the five years of starvation and low prices. Keeping this in the Act would not be fair to them.

In fact, what I find quite surprising is this:

to enable the Board to exercise powers for the purpose of stabilizing the price of an agricultural commodity; under the circumstances prescribed to empower the Board to enter into agreements with provinces and/or producers to provide for a greater prescribed price that would otherwise apply and, for any increased costs to be borne by the province and/or producers;

I am somewhat surprised at finding that this board will determine prices on the basis of these factors. Will all relevant factors actually enter into the calculation of production costs, and will this calculation be done by people who really possess the skill required and who will be able to submit figures which will not have to be reduced later by a given percentage, to conform with a price set beforehand and which would not be fair to the producers.

This is another factor on which the minister will have to provide much explanation when the bill is studied in committee, if we are to improve the present legislation, make it more efficient and more generous for producers, without neglecting consumers. We must have justice for everyone. But the purpose of the bill is first to protect farm producers.

The recommendation goes further when it says that the governor in council will be able to establish—

... ceilings on the quantity or value of an agricultural commodity eligible for price stabilization; and to provide for consequential matters.

Mr. Speaker, I am prepared to believe that it is necessary to determine the quality of agricultural commodities, to meet adequately consumers' needs. But I do not agree on a few points. Nowhere in this bill is it provided that this provision will also apply to imported products.

Again recently in the province of Quebec, and perhaps this happened also elsewhere, I don't know, we heard about poultry producers setting their own quotas and limiting their production. A few days ago they lowered their production quotas to meet the demand, the needs on the domestic market, and to maintain price stabilization just so they would make decent profits.

But they have been fooled. There are some people who have taken the liberty of importing similar products which come from our neighbours and are marketed in our country. This has resulted—and I hope this situation will be rectified before it is too late—in disrupted production. Our producers went ahead and barbecued their chickens in the street as a mark of protest. This has been a waste of food at a time when there are needs unsatisfied in many homes of our country and elsewhere. This we term disorder. And I take the opportunity of recommending to the Minister of Agriculture (Mr. Whelan) an amendment he might incorporate into the bill.

One cannot be too cautious. If we want the Minister of Agriculture and the Agricultural Stabilization Board to be in a position to operate and get results, they must have the tools, they must have teeth, to enable them to dig on whenever appropriate. I have already suggested to this House—and I think several members agree with me, that since the Minister of Agriculture is responsible for food production—he should see to it that food supplies are adequate to meet the needs of the whole population. He should also be allowed to exercise control over the importation and exportation of the products we might need. At the present time, another minister is exercising this control, although he does not have as many responsibilities in this field as the Minister of Agriculture has—

Mr. La Salle: He is not taking them.

Mr. Lambert (Bellechasse): The hon. member for Joliette says that he is not taking them. I am inclined to believe him, because when a question was put to him in

the House this week on this subject, he said he would look into it and report later.

Mr. Speaker, I want to believe that the ministers do not have to remember everything and be able to give point-blank answers to all the questions they might be asked. I understand that very well. But to such important questions as the one he was asked, I think a minister has the obligation to give the House a more satisfactory answer.

Mr. Speaker, in connection with the 1958 Act, section 2 did define the commodities covered by the legislation. Maple syrup had not been included. Well, Mr. Speaker, this is another suggestion I am making to the minister, in order that maple syrup, a natural produce, be included under the new legislation.

● (1720)

Several hon. members are aware that maple syrup producers now have serious difficulties. Many have not been able to get paid for their 1973 crop. Many have not been paid for the 1974 crop either and the 1975 crop is coming. These are agricultural producers whoinvested money but did not get any return. They are in a bad situation.

I understand that the Minister of Agriculture (Mr. Whelan) made an effort—and I thank him—to come to an agreement between his department and the Maple Syrup Producers Association, under which financial institutions can make cash advances to enable these people to stay in business. However, since the market situation is not excellent, as I could see, financial institutions did not accept to go along with the program and nobody could get money for these products.

The hon. member for Laval (Mr. Roy) motions that it is not true. If I am mistaken I would be pleased to know it and if the situation is better, I will withdraw my words with pleasure. I am honest enough to do this.

I am told that there is now an agreement between Quebec and Ottawa for the purchase of these products. I hope that this time it well prove operative and that producers will be able to get their money as quickly as possible for their production. We shall see afterwards how to dispose of it because, after all, we are talking about sugar. With white sugar at 75 cents a pound, at least we should not have to pay that price for our own sugar—maple sugar—and it should be possible for us to find buyers here with a little promotion in all the provinces.

There is another matter with which I would also want to deal, that of middlemen. I am quite upset Mr. Speaker. As soon as an increase in the price of an agricultural product is announced, newspapers immediately print in large headlines that it is scandalous, as it has just happened in the province of Quebec. In February, Quebec's Agricultural Marketing Board decreed that whole milk would be sold 51 cents a quart as from March 1. There was a general outcry.

The public, the consumers were led to believe that they would be gouged mostly by those wicked producers, those bad farmers. There is a total lack of information. Education is needed in that regard.

Mr. Speaker, last weekend, I had the opportunity of meeting a group of farmers' wives and they asked me a question. Of course, those ladies are interested in the operation but are not necessarily involved in the production. They wanted to know why milk was selling at 51 cents a quart. I told them that, well, it was because we had to support diary farmers if we wanted to have milk to drink. If the producers get no money, they will quit. After they have gone out of business, we shall have to buy milk somewhere else and then pay $1 a quart. Would the situation be any better? I worked out this calculation for them: 51 cents a quart, 40 quarts per hundredweight, that puts the price per hundredweight at $20.40. I asked them: Can you tell me how much of the $20.40 goes to the producer? They did not know that he gets less than $12 per hundredweight. They were not aware of that. Who is pocketing the difference?

Another point: 8 oz. softdrink bottles cost a quarter each. Take 5 bottles to get a quart or 40 ounces and you get a cost of $1.25 per quart, or $50 per hundredweight. They only ingredients are water, sugar and colouring additives. There are no complaints about that. People pay $50 per hundredweight for those drinks. They buy them, but they no longer buy fluid milk at $12, Mr. Speaker.

It can therefore be taken for granted that the Food Prices Review Board will have plenty of work to do, not only with regard to farmers, but also with respect to groceries and shopping centres in order to check the quality and price of other commodities, make comparisons and check whether imported products which compete with Canadian products really are of the same quality and at the same price, and if they help save anything. That would be a fine assignment for the Plumptre Commission, and an efficient, meaningful task.

Mr. Speaker, a few amendments should be made to this bill. We shall certainly discuss them when it is studied in committee, but I should like first, since this is a matter of urgent necessity, to ask the Minister of Agriculture for some information dealing with the Commission appointed to inquire into beef and veal marketing. I wish we could get a report before the year 2000, because it is getting urgent.

The present situation is disastrous: consumers probably pay less for beef, but how much do producers get as compared to last year?

I would like to back my remarks with strong arguments showing that producers, even if sometimes people accuse them of being bleeding hearts, do sometimes have reasons to complain, and that can be proven by comparing the following two stages: February 1974 and February 1975 with respect to the cost of beef as reported in *La Terre de Chez Nous*. For instance, a bull sold for $36.50 in February 1974 and only $19.25 in February of this year. Has there been an equivalent reduction at Steinberg's and Dominion. I would not think so. Anyway, price have sunk down by approximately that amount for the producers.

Take, for instance, the No. 3 cow: in 1974, it was sold for $38.75 a hundred, and in 1975, $18.75 a hundred, that is $20 less. The difference is substantial. Did feed grain prices change during the same period? The answer is also important. Well, in 1974, the price of barley in Montreal was $5.67 a hundred, and oats, $5.46. In February 1975, it rose to $6.26 a hundred for barley and $6.17 for oats. Production costs go up while the sales price goes down. As a result, the difference between the cost of production and the cost

price widens continually. No wonder our young people do not want to become farmers.

● (1730)

We have also seen a shocking increase in the price of farm machinery, and a commission, the Barber Commission, conducted an inquiry in that field. It did an excellent job, and if its report is to be implemented, there must be an agreement between the Canadian government and the other countries where our farm machinery imports are manufactured. And nothing is happening there either. The recommendations in the Barber report are not being implemented, and companies make fabulous profits at the expense of the buyers, our Canadian farmers. For this reason, things are getting worse instead of getting better.

Another area of tremendous interest to Canadian producers is that of fertilizers. What should be done? We were taught to use fertilizers. Our agronomists, after tests made in experimental farms, taught us their use. Of course, they work, they promote growth. But we are now realizing that the chemicals we are now buying at unreasonable cost are harmful to men, because they pollute the water that goes into our rivers. Our cattle have to drink that water, they graze on fast-growing grass through the use of fertilizers. This gets into their flesh, into the milk of cows, and affects human health. But that is not the problem we face today. The problem is that fertilizers are so expensive this year that many farmers will not be buying enough in proportion to their acreage. I fear a decrease in the production of feed grain. And if this happens, it is possible that next fall, more herds will disappear. Mr. Speaker, this is a serious matter. A number of producers are killing their calves. They do not keep them more than an hour. That production will not be in the market next fall. The situation is far from brilliant for those people. They do not know whether they must breed them or not, because they are not ensured a price which will allow them some return. I know what I am talking about. I do visit farms, and I am not afraid or ashamed of doing so. So I know what happens. It is for that reason that I ask the minister of Agriculture (Mr. Whelan) to urge the Commission to inquire into beef and veal marketing. We must not wait until the amendments to the agricultural stabilization board are effective. We must act now. Tomorrow, it may be too late.

There is another area on which I would like us to be on the watch and to look closely: In the course of the hearings of the special committee on egg marketing, Mr. Speaker, we examined very closely the matter of production costs. We heard many witnesses who showed us with figures what is the real production cost of a dozen of eggs. We have also heard the representatives of the Consumers' Association of Canada who showed us that they cannot afford to pay more for the eggs they have to buy for their family. But there is another "gimmick" between consumers and producers, and I would like us to examine this "gimmick", this sanctuary, in order to find out what happens in there.

I am not talking about the small retailer or the corner grocer, absolutely not. He is not the one who sets the prices; he has no authority to do so. He must pay what he is charged, and since he has paid, he wants to make a reasonable profit. It is the powerful, those we do not see, the big companies, the magnates, and all those who know all the tricks to take over the production, store it, control it and market it at prices that they have set. Not many of these companies have gone bankrupt, but many small ones do go bankrupt. Why? Because small undertakings are powerless, because they must submit to the cartel set up by the big companies.

If we really want to go to the bottom of things, Mr. Speaker, I believe we should really have an independent body with as much courage as Mr. Justice Robert Cliche in Quebec. There is a courageous man, apparently he is doing his duty, and I congratulate him for it. I wish there were at the national level a commission with that kind of courage, headed by a chairman with the same courage, to go to the bottom of things, to tell the consumers that it is not the farm producers who are guilty if the price of food products keeps going up, and to point out to them the true culprit so that the consumers and the producers could come to an understanding and support a government which would bring law and order in this area and which would be ready to face up to the situation.

Unfortunately, we often are under the impression that our governments are weak when faced with the strong and strong when faced with the weak and it should be the opposite. We should have courageous governments who are strong when faced with the strong and who would treat them as equal. Governments should say: You are strong; I am strong because of democracy, because I have been elected, because I have been chosen to play such a role and be understanding for the weak, the low income families, the poor, those who are defenseless. If a government were understanding, if it helped those people, no one would complain.

Mr. Speaker, in concluding my remarks I hope that the Minister of Agriculture understood at least the two amendments I would like to be made to Bill C-50. I do not want to be critical; on the contrary, I do it to make my contribution so that the bill may be more comprehensive, that the legislation may be more efficient and that civil servants may get the tools needed to function and achieve the mission we wish to give them under this legislation. I shall come back to this matter in due time when we shall review it in committee. I hope that once we have reviewed this legislation together, suggested ideas to improve it and accomplished our duty, we shall be able to expect more efficiency from this legislation so that producers may be finally satisfied. Consumers will know at last to whom they pay and why they pay.

[*English*]

Mr. Frank Maine (Wellington): Mr. Speaker, my farmers tell me that there is no question that this bill is an important step in the right direction. There are three provisions that constitute a particular improvement: first, shortening the base period on which support is calculated from ten years to five years; second, increasing from 80 to 90 per cent the percentage of the base prices which will be guaranteed; third, indexing the support levels to reflect changes in production costs. Perhaps the most promising aspect of this legislation, however, is that provision which provides for the development of federal-provincial agreements to co-ordinate the federal programs in this area with provincial programs and which anticipates the de-

velopment of programs with joint federal, provincial and producer participation.

More and more provinces have been developing their own farm stabilization measures. There is a growing need for someone to step in an co-ordinate these activities. British Columbia has an income stabilization plan in operation; Saskatchewan is planning to extend its grain stabilization scheme; Quebec seems to be considering a major project to guarantee the income of milk producers. The amendments in this bill will make it possible for the federal government to co-ordinate and integrate its measures with these provincial programs into a package, with maximum effectiveness. By providing for programs with producer participation, these amendments will make it possible for producers to be involved in stabilizing their own industry. This, too, is a step in the right direction.

I represent a constituency which produces one of the widest varieties of agricultural products in this country. To keep in close contact with those of my constituents in agriculture, after I was elected I set up an agricultural advisory committee with 14 members who, together, represent all the different types of farms in Wellington constituency and cover the whole area geographically. I would like to acquaint this House with my advisory group to show how members can maintain close contact with the farmers and, therefore, assess how valuable this legislation will be to them. The chairman of my committee is a young farmer, a recent graduate of the Ontario Agricultural College of the University of Guelph, who farms 600 acres in Guelph township. Petter Hannam, of R.R.2, Guelph, is a past president of the Wellington County Federation of Agriculture and is presently a director of the Ontario Federation of Agriculture and chairman of its resource development committee.

● (1740)

An hon. Member: I bet he is a socialist.

Mr. Baker (Grenville-Carleton): I bet he is a Liberal.

Mr. Maine: He is not a lawyer, anyway. He certainly contributes a lot more to the country than do a number of members of this House.

Some hon. Members: Hear, hear!

An hon. Member: Did he write that speech?

Mr. Maine: On this committee, in R.R.6 Guelph, is Gordon Crow who raises beef cattle and pigs on a hundred acres. Not all the pigs are in my riding, though.

Some hon. Members: Right on!

Mr. Maine: In R.R.5, Guelph, Jack Gilchrist raises corn and barley and beef cattle on 200 acres. In R.R.1, Puslinch, Ken Gunson farms 90 acres near Morriston with potatoes as the prime crop as well as corn and hogs. We are familiar with the potato problems being experienced down east. They affect us, too, in Ontario. Cedric Harrop, of R.R.7, Guelph, markets 1,800 hogs per year. I am sure all members are aware of the difficulty experienced by hog producers in the past year in making ends meet. In R.R.2, Guelph, Robert Harvey raises hens. He has a capacity for 16,000 laying hens but is not presently producing at capacity. We have experienced at first-hand the problems which have arisen in connection with the CEMA operation. Quotas have been cut back and Mr. Harvey is presently producing well below capacity.

In R.R.6, Guelph, Edgar Hutton raises beef cattle and hogs; he has 400 acres planted to corn and wheat. We in our riding are concerned about land utilization, and this gentleman is a member of the Puslinch Township Planning Board and of the Wellington County Land Division Committee, aimed at ensuring that prime agricultural land continues to be kept for agriculture and that food will be available for consumers both today and in the future. In R.R.1, Rockwood, George Leslie raises pork, beef and sheep on 130 acres. Earl Osborne, in R.R.5, Rockwood, raises 130 head of purebred Holstein cattle on 400 acres. Murray Smeltzer, in R.R.3, Rockwood, produces cream and raises hogs and beef cattle on 45 acres in Eramosa township.

An hon. Member: Have you got any more constituents?

Mr. Maine: In R.R.1, Ariss, Ed Thompson farms 350 acres of corn. He also operates a fertilizer dealership. We are well aware of the difficulties the fertilizer industry has caused to farmers by reason of its rapidly escalating prices. Marshall Vanderhout, of R.R.1, Waterdown, has three acres under glass and in his greenhouses he grows tomatoes and long, seedless cucumbers. The greenhouse industry is facing serious difficulties brought about by the increase in the cost of heating oil, in particular. Hon. members will appreciate that in the greenhouse industry fuel costs are the major item of expenditure.

In R.R.1, Millgrove, John Veltkamp is another egg producer. He is at the southern end of my riding. His operation has a layer capacity of 10,000 hens. He, too, is fully aware of the great efforts which must be made if Canada is to have a viable egg producing and egg marketing industry. Dick Weatherston rounds out my agricultural advisory committee. He is in R.R.2, Dundas, and farms 160 acres. He specializes in dairy cattle and has 60 Holsteins. He also has experience with hog raising. These men are all involved in crop associations having to do with the commodities in which they are most interested. Consequently, they are able to reflect the views of their colleagues as well as their own views.

Women are on the farm, too, and they help their husbands. Children, too, continue to work on the family farm. All members of the family contribute to the work on the family farm, as hon. members well know.

Mrs. Campagnolo: They know their place.

Some hon. Members: Oh, oh!

Mr. Maine: Husbands, wives, children—it doesn't matter as long as they help produce food. These men are the representatives of my farmers. They have experience of a number of crops, as I have mentioned. They include wheat, corn, beef cattle, pigs, barley, potatoes, eggs, sheep, milk, cream—

An hon. Member: Grits.

Mr. Maine: —fertilizer, tomatoes, cucumbers and dairy cattle. This is a good, representative cross-section of farm products produced in Canada. I have made sure that all these people have received copies of the bill we are considering. The feedback I get convinces me they are in favour of this kind of measure. I think it is important to ask the people who are directly concerned what they think. I am confident the farming community will welcome this measure.

A bill which improves farm stabilization policy is also of benefit to consumers. The food industry is of key importance not only to farmers but to all consumers. Measures such as this improve the reliability and efficiency of Canada's long-term food supply. They moderate the sudden fluctuations in the market which can lead to alternate shortages and surpluses, and in so doing they ensure a stable and growing Canadian food industry. This benefits all Canadians and protects them from actions such as have been taken with respect to oil and sugar, where we rely on imports to supply our markets.

Last fall, the United States undersecretary for agriculture spoke to a group of Canadian farmers in Hespeler, Ontario. He outlined his own country's plans to set aside a $10 billion fund to bail out American farmers. There is no way in which we can compete with this, but the American proposal underlines the need to look after our own producers who could be swamped by surpluses from across the border. The egg and beef producers have already been faced with this situation. More than ever before, we must work hard and quickly to maintain a strong agricultural industry in Canada.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, in rising to speak on Bill C-50 I can only call it a disaster bill.

Some hon. Members: Oh!

Mr. Whittaker: I hear members on the other side saying "Oh!" But it was brought in years ago as an insurance for the farmers. It has served as disaster insurance. Take the bill the minister is bringing in now and compare it with the bill he is amending; you will find there is very little difference. The main difference is that he is reducing the ten years to five years, and taking the 80 per cent and bringing it up to 90 per cent. This is not even in the class of being what stability is all about in this day and age.

It would not be so bad if the Minister of Agriculture (Mr. Whelan) had not been stomping the country telling farmers he was going to bring in a stabilization plan which would mean stability for farmers. This legislation does not begin to compare with what some of the provinces are doing. We went to the agricultural congress in 1969 and again in 1970. The congress was called by the government because the farmers were saying the government had no agricultural policy. The farmers are still saying it. The main theme of those meetings was the need for stability in the industry. This government has done absolutely nothing to bring about stability. Now we find that the tired old stabilization plan is being amended. The farmers are being asked to accept it as a plan for bringing about stability.

● (1750)

At one time farming in Canada used to be a way of life. There was a much greater percentage of people on farms in previous years than now; in the neighbourhood of 30 per cent of our population was in farming. That percentage has been dwindling, until now less than 10 per cent of our people are on the farm. One of the reasons people are turning away from farming is that it is hard to make a go of farming; it is hard to make a go of that way of life. So now the people who are left on the farms are dedicated to farming and we find that they are in upper age brackets. This cannot go on. We must make an effort to bring young people into farming and replace older farmers, because older farmers just cannot go on forever.

The farmer of today is established, organized, knowledgeable, and he wants to produce. Not only does he want to produce; he can produce. The Minister of Agriculture was going around the country saying to farmers, "Produce all you can." They did. Then he went to the horticultural council and said that potato growers in New Brunswick are in trouble because they produced too much. He has spoken on many occasions about stabilization, but in many ways he has done absolutely nothing to bring about stability in the price of commodities farmers produce. He compared this year's New Brunswick Farm production with last year's. I do not think this year's was much above average.

Farmers in Canada are nervous about producing surpluses. They are nervous because of the ups and downs which have been experienced in agriculture over the years. They do not particularly want to carry on agricultural operations which are subject to these kinds of ups and downs. They see others in Canada insulating themselves against inflation. Others belong to unions, and have bargaining agents, which help them to insulate themselves.

Farmers can see that the buyers of their produce are few in number; their power is concentrated in very few hands. They know who sells most of their produce to the consumer chain stores. They know, for instance, that in the fruit and vegetable industry buying power is concentrated in the hands of about seven buyers in North America, not just in Canada. They know that their produce is handled by large organizations which deal with chain stores. They know that we have had a policy of cheap food in the past in Canada. They also know that the consumer can buy more food with one hour's work than ever before. They know they are consumers themselves; they must buy many things both for their farm organizations and to feed themselves and their families.

But, Mr. Speaker, the new generation of farmers today is not in farming for a way of life. They want some stability in their operations. This is the message they have tried to get through for some time to this government. They are not too interested in the old ways with their ups and downs, ways in which an "up" lasted maybe for two good years and a "down" for quite a few more years. After the agricultural congress was held, we experienced a couple of pretty fair years in the farming industry. But farmers are nervous: they do not feel that this is going to continue. They know the people of Canada are concerned about the loss of land from agriculture. They know there is talk of

land freezes and that in some provinces agricultural land has been frozen. They know the people of Canada like the idea of green belts and do not want everything paved over in Canada, especially in those areas where people are concentrated, usually where conditions are good for the growing of fruits, vegetables and other kinds of foods.

The Minister of Agriculture has gone stomping around Canada taking credit for all the good things which have happened in agriculture and saying many things farmers like to hear. But he had the opportunity to bring in legislation which could provide for stability and this is the bill he introduced. Look at the bill before us. I think he should be ashamed for having brought this bill before the House, for introducing it in this forum, especially after what he has been telling farmers for the last two years.

May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Penner): It being six o'clock, this House stands adjourned until two o'clock tomorrow.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 6, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

OFFICIAL REPORT

ALLEGED DISCREPANCY IN ANSWER GIVEN BY SOLICITOR GENERAL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a point of order. Last Thursday, February 27, the Solicitor General (Mr. Allmand) may have—unintentionally, I am sure—left ambiguities on the record with respect to questions asked by me. I wish to bring these briefly to the attention of the House so that the Solicitor General, if he deems it necessary, will have the opportunity to correct *Hansard* in this respect.

As I see it, the discrepancy is as follows. When asked by me whether other federal agencies besides the RCMP were involved in the investigation into dredging operations, the Solicitor General replied, "there are other federal departments involved". I ask Your Honour to keep in mind that I asked about agencies, and not departments. Then later on, as reported at page 3624 of *Hansard*, the Solicitor General took the opportunity to answer more fully the question and said:

> I was asked whether other agencies were involved in the investigation with respect to the dredging contract in the Quebec City area. I said other agencies were involved.

In point of fact, Mr. Speaker, he did not; he said other federal departments were involved. However, to continue his answer:

> Then, the question was: Could you reveal the other agencies? I checked into that, and the answer is that it would interfere with the investigation if we made public the other agencies that we are investigating.

Did he mean that other federal departments are working with the RCMP on their investigation into dredging contracts, or did he mean that federal departments as well as agencies are being investigated by the RCMP in regard to dredging contracts; and is there a difference between "department" and "agency"? That, Mr. Speaker, is my point of order and I hope the Solicitor General can clear it up.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, on the same point of order, unfortunately there was a mistake in *Hansard* on that day. I made every attempt to have it corrected. As a matter of fact, I corrected the blues and *Hansard* ignored my correction on the blues and put it the way it was originally. I corrected it again. I telephoned *Hansard*; I had people in my office write them, and so on.

May I clarify the situation. When I said there were other agencies working on this investigation as well, that of course entails other departments because the agencies come under other departments. I was not being explicit. There are agencies of the federal government that come under other federal departments working on this investigation as well. I cannot say any more at this time because it would be contrary to the interests of the investigation. But I stand by the other part of my answer. They are investigating; we are not investigating them. The mistake in *Hansard* was that it said "we", and it should not.

Mr. Alexander: Mr. Speaker, I want to make it abundantly clear that what the Solicitor General is now stating is that the RCMP is investigating—

Mr. Speaker: Order, please. The hon. member raised a question and the Solicitor General has clarified the earlier answer he made. In fairness, I feel that if the hon. member wishes to pursue the matter further with the Solicitor General he should do so by way of fresh questioning.

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COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Second report of Standing Committee on Public Accounts—Mr. Crouse.

[*Translation*]

PRIVILEGES AND ELECTIONS

Fourth report of Standing Committee on Privileges and Elections—Mr. Blaker.

VETERANS AFFAIRS

Fifth report of Standing Committee on Veterans Affairs, in both official languages—Mr. Boulanger.

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

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● (1410)

[*English*]

INDUSTRY

TABLING OF REPORTS BY TEXTILE AND CLOTHING BOARD AND COMMUNIQUÉ ON GOVERNMENT'S RESPONSE

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2) I am tabling, in both official languages, copies of five

reports by the Textile and Clothing Board, plus a communiqué on the government's response to those findings.

* * *

LABOUR RELATIONS

GRAIN HANDLERS' STRIKE—CONSEQUENT TIE UP OF GRAIN SHIPMENTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask leave of the House, seconded by the hon. member for Lisgar (Mr. Murta), to debate a matter of urgent and pressing necessity. The matter concerns the tie up of grain shipping on the west coast. While not denying the right to workers to strike, grain movements have been tied up as a result of stoppages for over one-third of a year, resulting in lost sales and costly demurrage charges. Grain producers have the right to a decent income also, and in the absence of government action to settle the strike the grain handlers' bargaining position would be greatly improved through public support if they went back to work.

Mr. Speaker: Order, please. The matter on which the hon. member has risen is one which would qualify under Standing Order 43, but I do not find in the contents of the hon. member's remarks a formal motion.

Mr. Korchinski: Mr. Speaker, perhaps my remarks were not too clear. I asked the leave of the House to debate a particular matter of pressing necessity, and that is the motion, or that is the purpose of my motion.

Mr. Speaker: Order, please. With due respect, the purpose of the hon. member's remarks is clear, but the fact of the matter is that there is no motion I can put to the House on which to seek its unanimous consent.

* * *

PARLIAMENT BUILDINGS

SUGGESTED PRESERVATION OF HISTORICAL CHARACTER OF EAST BLOCK—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I wish to move a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

Given the thorough disregard for the historical significance, the structure and the contents of the East Block of the Parliament Buildings, as indicated by changes that have already been carried out and others that are proposed which would further emasculate this fine old building, I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That Room 201, the original office of Sir John A. Macdonald, be immediately reopened on a one-day a week basis for viewing by Canadians;

That it be restored to its original character as soon as possible; and

That the people of Canada be given assurance that every effort will be made to preserve the unique history of the East Block and the office of the first Prime Minister of this country.

Mr. Speaker: The motion has been moved pursuant to Standing Order 43 and cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

WELFARE

PROPOSED COMMITTEE STUDY OF EFFECTS OF POVERTY ON CHILDREN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Gérard Laprise (Abitibi): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

Considering the importance and seriousness of the findings of the Canadian Council on Social Welfare as to the limited chances children of the poor have, compared with other children, of ever reaching adequate living standards, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the Standing Committee on Health, Welfare and Social Affairs meet without delay to look into the findings of the Canadian Council on Social Welfare, in order to propose concrete measures to remedy the current situation and make sure all children have equal opportunities to develop and succeed within our society.

Mr. Speaker: Order, please. The House has heard the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

* * *

TRANSPORT

REQUEST FOR BETTER RAILWAY SERVICE IN NORTHWESTERN QUEBEC—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under the terms of Standing Order 43, I request unanimous consent of the House to discuss an urgent matter which calls for immediate attention and the implementation of efficient measures as soon as possible.

As rail transport is, for northwestern Quebec, the main means of obtaining supplies for business and industry, as there are excessive delays in the delivery of freight—it is not unusual for a parcel to take up to two weeks to cover

the 45 miles that separate Senneterre from Val-d'Or—I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That this House order the Minister of Transport to make an inquiry into the excessive delays in rail transport of freight in northwestern Quebec, and to report to the House on what steps he intends to take to remedy the situation and ensure the merchants, industries and people of northwestern Quebec the better rail service which the economy of the area requires.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the terms of Standing Order 43, this motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

INDUSTRY

SHIPBUILDING SUBSIDY PROGRAM—REVIEW OF IMPLICATIONS OF PROGRAM FOR COMPANIES INVOLVED IN INVESTIGATION OF DREDGING CONTRACTS PRIOR TO ADOPTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister. I should like to ask the hon. gentleman whether, before the program announced by the Minister of Industry, Trade and Commerce yesterday was approved, the government satisfied itself that the investigations underway in the dredging contracts on the St. Lawrence River had no implications for any companies receiving grants under the minister's program.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I made it very clear that the shipbuilding assistance program was designed for shipbuilders all over Canada from the west coast to the east coast. It has a built-in incentive arrangement. It replaces those programs which previously existed that were domestic and for export. The imputation in the question of the Leader of the Opposition is that there is some relationship between that particular program and dredging contracts. I would say to him that they are quite separate and separable questions.

Mr. Stanfield: I am not making an imputation, Mr. Speaker. I am asking a question of the acting head of the government and would like to have an answer. The question is whether the government satisfied itself that the investigations underway in respect of the dredging contracts on the St. Lawrence River had no implications for any companies receiving grants under the minister's program. More specifically, I will ask the hon. gentleman whether the Government of Canada requested and

obtained a report from the Solicitor General regarding the possible implications of dredging investigations before the program announced by the minister was adopted?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the minister has said these matters were dealt with quite separately. The program of incentives was dealt with on its merits. The intention is to improve employment conditions in Canada. This is the basis on which it was developed. There was no connection between the two events.

Mr. Stanfield: Mr. Speaker, I will give the Acting Prime Minister an opportunity to clarify anything he might wish to clarify. Am I correct in assuming that neither the minister nor the government as a whole has sought any information from the Solicitor General or made any inquiry to satisfy itself that there was nothing arising from the investigation of the dredging contracts that had any implications for any company receiving benefits under the minister's program.

● (1420)

Mr. Sharp: I must repeat, Mr. Speaker, that the program of incentives was approved on its merits. The question of whether some companies which might benefit from it might be found to have engaged in illegal activities, is a separate question.

SHIPBUILDING SUBSIDY PROGRAM—POSSIBILITY OF PAYMENTS TO MARINE INDUSTRIES LIMITED BEFORE COMPLETION OF INVESTIGATION OF DREDGING CONTRACTS

Mr. James A. McGrath (St. John's East): I should like to ask the Acting Prime Minister whether, in view of the fact that the company which is to be a recipient to a very large extent of the benefits of the program announced by the minister, Marine Industries Limited of Quebec, is also under investigation for allegedly defrauding the Canadian government, the Acting Prime Minister can tell us whether it is the intention of the government to authorize payments to the company before that investigation is completed?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Is the hon. member referring to the Export Development Corporation contracts? Could he clarify that before I answer his question?

Mr. McGrath: I cannot make the question any clearer. I am asking the Acting Prime Minister whether it is the intention of the government to authorize any payments under the shipbuilding program announced by the minister yesterday before the investigation into the alleged conspiracy regarding the dredging contracts has been completed?

Mr. Gillespie: There are two aspects of the program that I announced yesterday, and that was the reason I asked for a clarification; one was the Export Development Corporation, which involves loans and not grants, and the other was the shipbuilding assistance program. Clearly, the shipbuilding assistance program which applies to all

shipbuilders is quite separate from the issue of dredging contracts and holdbacks.

Mr. McGrath: May I ask the Acting Prime Minister or the President of the Treasury Board how they can reconcile payments under this program to this company with the fact that the government has already taken the decision to withhold further payments on dredging contracts to Marine Industries Limited while the investigation by the RCMP is underway?

Mr. Sharp: Mr. Speaker—

Some hon. Members: Come on, Mitch.

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): I was only hesitating because this is an argumentative question and it is not permitted under the rules.

Some hon. Members: Oh, oh!

Mr. Sharp: These two programs are separate and distinct. If, however, a contingency were to arise of the kind that has been mentioned by the hon. member, then of course we would take legal advice.

Mr. McGrath: The programs may be separate but the company involved is one and the same.

Some hon. Members: Hear, hear!

Mr. McGrath: In view of the very serious implications of this whole affair reaching, as it does, into the government of Quebec and the Government of Canada, I ask the Acting Prime Minister whether he is not prepared, if the government has nothing to hide, to hold a public inquiry into this whole affair.

Mr. Sharp: The answer to that question is the same as previously, which is that the investigations are continuing and we see no reason to hold a public inquiry at present.

On the first question, let me say that I think that I was quite clear in my answer that if circumstances arose later in connection with payments under the program, we would take legal advice as to whether we should make payments at that time.

* * *

HEALTH

STUDY OF HEALTH OF MINERS AT CLINTON CREEK MINE—REQUEST FOR NATIONAL STANDARDS FOR AMOUNT OF ASBESTOS FIBRE IN AIR

Mr. Stuart Leggatt (New Westminster): My question is directed to the Minister of National Health and Welfare and arises from answers he gave in the House yesterday to questions concerning the Clinton Creek mine in the Yukon. The minister indicated that the study of that mine showed that there were two to four fibres per millimetre of air and implied that that is a safe level. The report shows that out of 133 fibre counts, 19 were over five fibres per millimetre. Would the minister advise this House if any studies have been done by his department into the health of the miners in that mine in view of the obvious hazard to those workers in that particular area which this report confirms?

[Mr. Gillespie.]

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, contrary to what the hon. member said, I did not infer any conclusion from the facts I mentioned in the House yesterday. I just gave him the facts that were available to me and based on the preliminary studies conducted by officials in my department and that of Indian Affairs and Northern Development. I am told the studies will be completed in a fortnight or so and my department will then submit them to the Indian Affairs and Northern Development Department for consideration and action.

[*English*]

Mr. Leggatt: I understand that that particular report to which the minister is referring has been in the hands either of his department or of the Minister of Indian Affairs and Northern Development since June of last year, and as far as I know there have not been objective studies done up to this point into the health of those miners. In view of the fact that there is nothing that I know of to prevent the minister from bringing in national enforceable standards in terms of asbestos risk, would the minister now advise whether he has any immediate plans to bring forward national enforceable standards, as Britain has had for so many years, for the protection of those persons working in and around asbestos from cancer?

[*Translation*]

Mr. Lalonde: Mr. Speaker, in the first place, if the hon. member has a study dating from June last, I would like very much to obtain a copy. The officials of my department and myself have never received a copy of that study. The only thing I know is that a study was begun in June 1974, but to my knowledge no study had then been completed by my department. The study undertaken June last, as I said, is being completed and will afterwards be submitted to the Department of Indian Affairs and Northern Development. As for the other question of the hon. member, I would remind him that if his party is willing to co-operate with the other parties to activate the consideration of bills in the House, we would very soon pass the bill introduced by my colleague the Minister of the Environment which deals with contaminants of the environment.

[*English*]

Mr. Leggatt: The minister did not respond to one portion of my question, and that is whether he has the power at this point—and I understand that he has—to simply impose regulations under pollution control legislation in this country. In other words, this business of the House delaying the passage of the environment contaminants act is irrelevant. What I am asking the minister to do—and he may take this as a representation if he wishes—is to bring forward national enforceable asbestos standards now. There is no reason whatsoever why he should not do this.

[*Translation*]

Mr. Lalonde: Mr. Speaker, the hon. member is asking for a legal opinion and I do not think it is my role to give him one in this House.

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NATIONAL REVENUE

REQUEST FOR EQUITABLE SCALE OF TAXATION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask the Minister of National Revenue a question.

A story, published the day before yesterday in the paper *Montréal-Matin*, has stunned me. It said that the rich pay less income tax. As a matter of fact, according to the figures provided by Statistics Canada, people earning over $200,000 yearly pay only 10 per cent in income tax, while others earning $7,700, like the hon. member for Mercier, must pay 12.4 per cent. Doctors and lawyers earning between $20,000 and $30,000 yearly must pay up to 22.7 per cent in income tax. Does the Minister of National Revenue intend to set up a more equitable taxation scale than the one we now have?

[*English*]

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, the tax levels are set by the Income Tax Act, which is dealt with following each budget. I have not seen the article to which the hon. member refers, but I think it probably relates to some written answers given the other day which were making a distinction between taxable income and non-taxable income, and that is probably why the figures appear as they do.

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ROYAL CANADIAN MOUNTED POLICE

INFORMATION ON WHICH WARRANT TO SEARCH HAMILTON OFFICE OF MINISTER OF LABOUR BASED

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the Solicitor General a question following along the same lines as some of the other questions asked today. At page 3668 of *Hansard*, I asked the Solicitor General for information about certain documents that led to a warrant being issued. He answered that he would supply the information and I wonder if he has it now, two or three days after the request?

● (1430)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, in that question the hon. member for Calgary North said and I quote "a charge has to be laid and an affidavit or an information sworn." That is not correct. In law a charge does not have to be laid. In fact, an information under section 443(1)(b) of the Criminal Code was laid and a search warrant was issued for the purpose of obtaining certain documents from the Minister of Labour. There was an incorrect address on the search warrant, however, and the Minister of Labour made arrangements to deliver the documents to the RCMP despite this.

Mr. Nowlan: Was there an affidavit?

Mr. Woolliams: Mr. Speaker, I do not want to get into an argument on the question of law with my good friend but it can be done two ways. Under section 443 if by sworn information a search warrant was issued, then there is certain information in that document and of course that is in form one following from section 443. I am asking what information was on that document in question?

Mr. Allmand: The document is filed in the court record in Hamilton, I believe. It was obtained in criminal proceedings against Kenneth Elliott, Robert A. Henderson, Robert P. Henderson, Harry Atkins and Reginald Fisher.

Mr. Woolliams: I am glad we at least got that information because it should help a lot of people to get information. What was the complaint made against those gentlemen that led to such an unusual procedure in regard to a distinguished member of this House?

Mr. Allmand: Mr. Speaker, the RCMP were investigating certain irregularities that took place in the Hamilton Harbour Commission and in pursuit of that investigation they had this search warrant issued.

Mr. Speaker: The hon. member for Regina East.

Mr. Balfour: Mr. Speaker, my question was for the Minister of Energy, Mines and Resources who seems to have left the chamber.

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INDUSTRY

SHIPBUILDING SUBSIDY PROGRAM—POSSIBLE INVOLVEMENT OF MINISTER OF TRANSPORT IN NEGOTIATIONS FOR LOAN FROM EXPORT DEVELOPMENT CORPORATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is supplementary to one or two that were asked earlier. I wonder if the Acting Prime Minister could indicate to the House in connection with the program announced yesterday by his colleagues for shipbuilding and subsidies on shipbuilding, whether the Minister of Transport in his capacity as leader of the Quebec wing of the Liberal Party was in any way involved in the negotiations that led to the arrangements for the loan because it is from the loan for the ships that the subsidies would flow. Could the minister indicate whether he was involved in the negotiations that preceeded this arrangement?

Hon. Jean Marchand (Minister of Transport): You mean the ship herself?

Mr. Forrestall: No, no. Mr. Speaker, I am sorry, I am not sure what the minister means with respect to the ship. I am talking about the export—I cannot think of the name—the Canadian Export Development loan from which would flow the subsidy. Without the loan the ships would not be built and the subsidy would not be available to the shipbuilder. I am asking whether the Minister of Transport or the President of the Treasury Board was involved in the negotiations leading up to the approval of the loan for those vessels from which would flow the subsidy?

Mr. Marchand (Langelier): I can make a very general answer, Mr. Speaker. I was never involved in any kind of subsidy negotiated between the Department of Industry, Trade and Commerce and any company.

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AIR CANADA

ALLEGED FAILURE TO ACCEPT APPLICANTS FROM ATLANTIC PROVINCES FOR POSITION OF AIR STEWARDESS—REQUEST FOR INVESTIGATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Transport and I gave him notice of it two or three days ago. In view of the fact that Air Canada did not accept one of 264 applications from the three Atlantic provinces for air stewardess positions, has the minister investigated this evidence of discrimination and can he report his findings to the House?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker, I did investigate. I have the figures here somewhere but I think it would be simpler to give them to the hon. member so that he can put questions on them tomorrow.

Mr. Marshall: Mr. Speaker, I have the figures and the answer that I got to an order paper question indicated that more than these 264 applicants did not meet the minimum standards of Air Canada. I wonder if the minister could ask Air Canada to describe what is wrong with the people in eastern Canada. Are they not as efficient, not as capable, not as educated? Why are they being turned down?

Mr. Marchand (Langelier): Mr. Speaker, I think that is a fair question.

An hon. Member: What about a fair answer?

Mr. Marchand (Langelier): It will be a fair answer. I know you will be a little bit disappointed but I have to be honest. Before 1973 there were no statistics on file regarding applicants for jobs with Air Canada. It is only since 1973 that records have been kept but the system is not so refined that we can say exactly the place from which employees come. I think it is a bad way of doing things and the place from which they come should be indicated. Someone from St. John's, Newfoundland may come to Montreal and get a job with Air Canada, and so be attributed to Montreal rather than Newfoundland. It may happen that way. There is no distinction between applicants by region.

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HUMAN RIGHTS

DATE OF INTRODUCTION OF LEGISLATION TO ESTABLISH COMMISSION—REASON FOR DELAY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is for the Minister of Justice. Could the minister let us know when the long heralded bill to set up a human rights commission will be introduced? May we expect it before Easter so that we may have a chance to look at it?

[Mr. Forrestall.]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am not sure whether it should be just before or just after the Easter recess. We are taking advantage of the fact that the House is so occupied with other matters to look at some final details which we want to have in the best possible form.

Mr. Fairweather: A supplementary question. Has the draft bill undergone at least a dozen revisions to meet objections from within the public service about its information aspect? In other words, is the objection that the Human Rights Commission will have access to a good deal more information than the government or its servants are now ready to disclose? Is that the holdup?

Mr. Lang: No, it is not, Mr. Speaker. There have been many drafts of this bill, of course, and further discussions within the government on many subjects but that has not been a particularly sore point.

* * *

INDUSTRY

FAILURE OF MICROSYSTEMS INTERNATIONAL—INQUIRY AS TO ASSETS TO COVER MONEY OWING GOVERNMENT—PROPORTION OF CONDITIONAL AND UNCONDITIONAL GRANTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In light of the failure of Microsystems International which has been the recipient of some $30 million in government grants and some $7 million in government loans, I should like to ask the minister what assets the company has in connection with the money owing to the government and whether those are assets just of Microsystems International or of its parent company Northern Electric or Bell Canada Limited?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there is some production equipment associated with the project which is presently being discussed and negotiated. This is the equipment which was provided as security for the government loan.

Mr. Orlikow: A supplementary question. Were the advances given to Microsystems unconditional or was there some provision for repayment of part of these grants in light of the failure of the venture for which they were given? If so, what proportion of these grants does the government anticipate it can recoup?

Mr. Gillespie: Mr. Speaker, roughly speaking the conditional grants were just under $13 million and there were other grants of $16 million in round figures.

● (1440)

FAILURE OF MICROSYSTEMS INTERNATIONAL—POSSIBLE ASSUMPTION OF PORTION OF TAX LOSS BY NORTHERN ELECTRIC OR BELL CANADA

Mr. David Orlikow (Winnipeg North): A final supplementary question, Mr. Speaker. Will tax losses accruing to Microsystems be applied specifically to Microsystems or will part of that tax loss be assumed by Northern Electric or Bell telephone, in order to reduce taxes.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not have that information. I will try to get it for the hon. member. I think it is clear that research and development requires large sums of money and involves a great deal of risk.

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ENVIRONMENTAL AFFAIRS

SCARBOROUGH BLUFFS—POSSIBLE AGREEMENT WITH ONTARIO FOR SHORELINE PROTECTION—GOVERNMENT POSITION

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, my question is for the Minister of the Environment, and I did not have an opportunity to give her notice of it. Will the government of Canada enter into a shoreline protection agreement with the government of Ontario, dealing with property damage and erosion around the Great Lakes, with particular reference to the stabilizing of the Scarborough bluffs? I raise this question because within the space of a week a large section of these historic bluffs measuring 150 feet in height, 150 wide and 15 feet back from the edge, fell away from the cliff face and was washed away in Lake Ontario.

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, we do not intend for the moment to conclude an agreement with the government of Ontario on the specific matter referred to by the hon. member. I would like to remind him that, generally, we are dealing with flooding matters, and that we do not have any program dealing with erosion problems along the Canadian water streams.

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[*English*]

HEALTH SERVICES

REQUEST FOR AID IN PROVIDING AMBULANCE EQUIPMENT—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. As it has been proved that ambulances equipped with cardiac monitoring units can monitor the heart rate and heart action of heart attack victims, and apply corrective procedures in cases involving fibrillation and give other necessary treatment until the patient arrives at the hospital, will the minister give active leadership and co-operation in encouraging this method of saving the lives of people stricken with heart attacks outside hospitals?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows, this responsibility is indeed essentially provincial and different developments occurred on this subject in the last months in the provinces. However, I must inform the hon. member that under the direction of a federal-provincial working committee now in operation, some recommendations are being drafted to improve ambulance services in Canada. In particular, an in-depth study is being done on all emergency services.

[*English*]

Mr. Rynard: A supplementary question, Mr. Speaker. Would the minister consider giving the appropriate medical authorities a grant under the Hospital Insurance and Diagnostic Services Act, which applies right across Canada.

Mr. Lalonde: Mr. Speaker, is it a question of whether we will give a grant for the medical services, or to the people doing the study?

Mr. Rynard: Mr. Speaker, this comes under the Hospital Insurance and Diagnostic Services Act, which has to do with active treatment.

Mr. Lalonde: Mr. Speaker, I will look into the question further.

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AIRPORTS

VANCOUVER INTERNATIONAL—CANCELLATION OF CONTRACT OF CANADIAN COMPANY AND AWARDING TO UNITED STATES COMPANY—GOVERNMENT POSITION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Transport. As the Ministry of Transport cancelled the contract of Best Cleaners & Contractors Ltd., a 100 per cent Canadian-owned firm at Vancouver International Airport, and awarded the contract to a 100 per cent American-owned firm, and as lots of Canadians in my riding are out of work because of this switch, can the minister say if the government has abandoned its policy of giving preference to Canadian-owned firms, as opposed to American-owned firms.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, of course, I am inclined to share exactly the same opinion as expressed by my hon. friend on the other side of the House, but there is something else which must be considered, besides this kind of relationship between Canada and the United States. There is the fact that we are supposed to give the contract to the lowest bidder, and this is what we did.

Mr. Reynolds: Mr. Speaker, the minister did not really answer my question. I asked, is it now government policy to award contracts to American firms whose bids are only 3 per cent lower than the bids of Canadian firms. I understand that it has been government policy to award contracts to Canadian firms if their bids are not more than 10

per cent greater than the bids of foreign firms. Can the minister advise the House if that is not the policy of his department?

Mr. Marchand (Langelier): Mr. Speaker, I do not know of any general policy that will allow the government to give a contract to a Canadian firm if it means that we must pay between 25 per cent and 50 per cent more money for the same contract.

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SUPPLY AND SERVICES

GOVERNMENT POLICY IN AWARDING CONTRACTS WHEN DIFFERENTIAL BETWEEN BIDS OF CANADIAN AND FOREIGN COMPANIES SMALL

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, may I direct a supplementary question to the Minister of Supply and Services. Is it not a fact that the minister's department awards contracts to Canadian firms if their bids are within 10 per cent of foreign bids. The contract bid I talked about was only 3 per cent higher, not 25 per cent or 50 per cent. Is it not a fact that the minister's department awards contracts to Canadian firms even when their bids are a little higher than those of foreign firms.

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, under our policy we apply rules by which we can give preference to the lowest foreign content for a contract up to 10 per cent of the difference of the foreign content.

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HOUSING

REQUEST FOR RECONSIDERATION OF CEILING FOR CALCULATING $500 GRANT

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question, without supplementary, is for the Minister of State for Urban Affairs. Would the minister, and Central Mortgage and Housing Corporation, reconsider the ceilings used in calculating the amount of grants, up to $500, for new housing in the metropolitan Halifax area, since the formula seems to be out of kilter with actual prices being paid. A sympathetic yes will suffice.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, CMHC is indeed reviewing the lending limits on which the $500 is based. It applies in the Halifax area, as I am aware, and in other parts of the country. It is under continuing review.

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THE CANADIAN ECONOMY

EFFECT OF STRIKE AT PORT OF VANCOUVER—REQUEST FOR ACTION TO SETTLE

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is supplementary to one asked yesterday by the hon. member for Vancouver South of the Minister of Finance. As without grain exports Canada would be a net importer of food; as in the first half of the present crop year the port of Vancouver operated at 30 per cent or 35 per cent below average capacity, thereby creating an imbalance of payments; as pressure, questions and suggestions put to supposedly responsible ministers have been of no avail, would the minister as a last resort exercise the authority of his office and initiate negotiations for resolving the serious situation on the west coast before the economy of this country collapses completely.

[Mr. Reynolds.]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I get the message.

Mr. Towers: A supplementary question, Mr. Speaker. As nearly 40 ships are tied up on the west coast and as Canada is losing credibility as a supplier of grain, has the minister considered any alternative to allowing the present serious and deplorable situation to continue.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not underestimate the seriousness of the situation.

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TRANSPORT

DREDGING CONTRACT IRREGULARITIES—INQUIRY AS TO POSSIBLE SUSPENSION OF EMPLOYEES PENDING INVESTIGATION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question to the Minister of Transport concerns dredging contract irregularities. Can the minister tell us if any officials or employees of his department have been suspended from their duties, pending the outcome of the police investigation into the contracts?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, not to my knowledge, but I will inquire.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF HAMILTON HARBOUR COMMISSION—INQUIRY AS TO POSSIBLE INVOLVEMENT OF UNITED STATES LAW ENFORCEMENT AGENCIES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, may I direct a supplementary question to the Solicitor General concerning dredging contracts. In view of certain alleged circumstances which have come to light as a result of the RCMP investigation of the Hamilton harbour situation, have the FBI or other American law enforcement agencies been brought into the picture, in view of possible frauds perpetrated against the U.S. government?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have not heard anything in that respect.

GRAIN

REQUEST FOR OUTLINE OF CONTINGENCY PLANS TO ENSURE EXPORT MOVEMENT IN VIEW OF STRIKES—POSSIBILITY OF LEGISLATION

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is supplementary to a question asked earlier today by the hon. member for Red Deer and is directed to the minister responsible for the Canadian Wheat Board. As the Canadian Wheat Board is talking about ending producer deliveries to country elevators because of the seriousness of strikes and as the minister said, on February 26, I believe, in reply to the hon. member for Marquette, that the government has quotas worked out and was looking at plans, and since the Acting Prime Minister did not seem to know the other day what those plans are, can the minister responsible for the Wheat Board now tell the House what the government proposes to do about the strike?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I should say, first, that as long as there is as much space as there is in the country, it is difficult to relate the strike to any curtailment of deliveries. There is, in fact, more elevator space for the delivery of grain at the present time than there was at the same time a year ago. This should be taken into consideration with regard to the aspect the hon. member has raised. It does not, of course, detract from the seriousness of the situation. We are very conscious of its gravity.

● (1450)

In my answer to questions about what we might be examining in the course of the strike, or after it has been settled, I indicated that while the strike is on it would be better not to comment in detail on various strategies we might be prepared to follow, just as it is not useful to talk about the negotiations which are going on. As far as the situation following the strike is concerned, there have been discussions going on between the Department of Transport, the Wheat Board and the railways with a view to organizing programs designed to maximize the movement of grain the moment the strike is over. Our approach has always been to attempt to minimize any damage by recovering as quickly as possible from a setback such as we are suffering now.

Mr. Murta: I wish to address a final supplementary question to the Acting Prime Minister. I am beginning to believe that the government does not understand how serious the situation is. If there has been no move toward settling the strike by Monday, would the government consider bringing in emergency legislation in the early part of the week to end the deplorable situation affecting grain movement?

Hon. Mitchell Sharp (Acting Prime Minister): I do not think I can give an undertaking of that kind. I should like to emphasize what my hon. friend the minister responsible for the Wheat Board has said—that the government is extremely concerned and is investigating every possible way by which the movement of grain can be resumed, particularly on the West coast where there have been so many interruptions in recent weeks.

[*Translation*]

HEALTH

REQUEST FOR ACTION TO CONTROL HAZARDS FROM ASBESTOS FIBRES AT THETFORD MINES

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

Since the companies operating the asbestos mines in Thetford Mines have been doing so outside the law since 1947, with respect to silicosis and environment protection, could the minister tell the House whether he has taken effective measures to protect the workers of that industry, since they must work under six to ten times more dangerous conditions than those existing in the asbestos mines of the United States and Britain?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the question of security within factories is a matter of provincial jurisdiction. As far as the federal government has a responsibility in that field, it comes under my colleague, the Minister of Environment. Therefore, if the hon. member would put his question to her, she will be pleased to give him an answer.

Mr. Allard: Mr. Speaker, I want to put a supplementary question.

As regards the protection of workers in the asbestos mines of the Thetford Mines region, it seems that the companies fail to respect the legislation on the protection of the environment and their workers to such an extent that their employees are exposed to dangers six to ten times greater than those existing in the mines of the United States and Britain.

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, industrial health standards are under the jurisdiction of provincial departments. However, the Department of Environment has the responsibility of establishing national standards concerning the particles of asbestos which come out from plant chimneys. With particular regard to asbestos, a group of officials in my department are currently gathering data on the quantity of particles escaping from industrial chimneys in Canada. Once these data are collected, we shall work out general standards for the whole country. As their jurisdiction requires, the provinces will be responsible for their implementation.

* * *

[*English*]

NATIONAL DEFENCE

DIFFICULTY EXPERIENCED BY OVERSEAS PERSONNEL IN FILING INCOME TAX RETURNS—GOVERNMENT ACTION

Mr. C. Douglas (Bruce): Mr. Speaker, my question is to the Minister of National Defence. The Treasury Board and others involved have sent T-4 slips to members of the Canadian Armed Forces serving overseas in Cyprus and other areas. Their spouses are suggesting there may be a problem in getting these back in time to file their income tax returns. Will the minister consider having them picked up by service personnel, returned to Canada by service

aircraft, then sent to regional headquarters and taken to the spouses by military personnel so that they can get the returns in without delay?

Hon. James Richardson (Minister of National Defence): Air Transport Command provides an excellent service to our personnel in Cyprus and the Middle East, so I am certain they can be of assistance in connection with this problem.

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EXTERNAL AFFAIRS

ALLEGED SHIPMENT OF ARMS TO SOUTHEAST ASIA—GOVERNMENT POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. In the light of information published by the Pentagon that in the last three years, war material was sold by Canada through a Crown corporation, Canadian Commercial Corporation, in the amount of $50 million, this material being earmarked for use in Southeast Asia, and in the light of frequent denials that Canada is involved in the war in Indo-China and having regard to the policy reaffirmed by the minister last week that it was not cabinet policy to send arms to areas involved in conflict, will the hon. gentleman assure the House that such shipments will be stopped forthwith?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I am not sure I understood or grasped all the details of the hon. member's question, but Canada does not send arms to Indo-China. That has been a long term policy and it is still in effect.

Mr. Brewin: Will the minister acquaint himself with the facts by getting in touch with the Pentagon which published in the Canadian press detailed figures showing an acceptance of $350 million in the last three years in Canadian war materials?

Mr. MacEachen: I shall be happy to seek information, although I am not sure I would rely on the Pentagon as my source, as the hon. member does.

Mr. Brewin: If the minister does not want to rely on the Pentagon, will he approach the Canadian Press which published this information in considerable detail?

* * *

[*Later:*]

GRAIN

EFFECT OF STRIKES ON EXPORT MOVEMENT—INQUIRY AS TO POINT AT WHICH GOVERNMENT WILL INTERVENE

Mr. S. J. Korchinski (Mackenzie): I have a question for the Minister of Justice. Earlier, in reply to a question by the hon. member for Marquette, the minister suggested the government was considering a plan for immediate implementation. May I ask the minister whether there is a certain point at which the government would consider that the losses to the farmer were so great as to require the strike to be resolved by a back-to-work order, as was done last year?

[Mr. Douglas (Bruce).]

Hon. Otto E. Lang (Minister of Justice): That is one of those hypothetical questions to which the answer is so obvious that none needs to be given.

Mr. Korchinski: How much must the farmers lose before the government decides to intervene directly? Does the minister have a certain point in mind?

EFFECT OF STRIKES ON EXPORT MOVEMENT—CALL FOR BACK-TO-WORK ORDER BY CANADIAN FEDERATION OF AGRICULTURE—GOVERNMENT ACTION

Mr. Don Mazankowski (Vegreville): My question is directed to the Acting Prime Minister. Has the Acting Prime Minister received a wire from the Canadian Federation of Agriculture calling for a back-to-work order to be imposed on the workers involved in the grain tie-up in order that grain exports can start moving again, and, if so, can the hon. gentleman tell us the nature of his reply to that wire?

Hon. Mitchell Sharp (Acting Prime Minister): I have not personally seen this particular telegram but I have seen similar messages from other western interests. As I said in reply to an earlier question, we are examining all possible ways of dealing with this particular impasse, but I do not think it would be in the public interest to reveal our plans at the present time.

● (1500)

Mr. Mazankowski: A supplementary question, Mr. Speaker. Is the government contemplating any specific action to end this impasse, and if not, why not?

Mr. Sharp: Mr. Speaker, as the President of the Treasury Board has said, it is this government's policy—I do not know whether it is the policy of members on the other side—to support the principles of collective bargaining, and we would like to see them work. Of course, there are circumstances in which perhaps the public interest can be better served; but in the meantime I do not think it would help to settle this strike if we now threaten action by parliament.

* * *

FINANCE

INCREASE IN BRITISH COLUMBIA BUDGET—POSSIBLE VIOLATION OF GUIDELINES MINISTER DISCUSSED WITH PROVINCIAL COUNTERPARTS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. Does the recent budget of the province of British Columbia amounting to an increase of almost 50 per cent fall within the guidelines which the minister worked out or discussed with his provincial counterparts at various meetings, and has there been a consensus along these lines?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I would have to take that question as notice because I think it deserves reflection.

* * *

HOUSING

CASA LOMA PROJECT, BURNABY, B.C.—ALLEGED USE OF FEDERAL FUNDS TO AID BANKRUPT COMPANY—GOVERNMENT POSITION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of State for Urban Affairs and is about housing. It concerns the purchase of the Casa Loma project in Burnaby, B.C. by the British Columbia provincial government with financing through CMHC. Is it now the public housing policy of the federal government to use CMHC funds to bail out bankrupt firms and provide a profit for the owners who only six weeks ago had paid off the subcontractors at the rate of 40 cents on the dollar?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, this is a situation that I am watching closely. This purchase was made by Dunhill Investments, I believe it is, the housing corporation of the British Columbia government, and it is up to them to determine whether or not it was a desirable purchase. From our viewpoint we examined it carefully, did an appraisal, and made certain it met Central Mortgage and Housing Corporation's standards. Our regional director in Vancouver is watching the situation very closely and reporting to me. So far indications are that no money has been given to the project at all. I believe a loan commitment was made in December, but we want to make sure that all standards of CMHC and the National Housing Act have been met.

Miss MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. Would the minister say whether he or any of his officials in the department were even aware that there were unpaid creditors and liens against the building at the time the loan was being negotiated?

Mr. Danson: As far as I am aware, Mr. Speaker, none of our officials was aware of any such dealings. This was a deal between the province of British Columbia, or their housing corporation, Dunhill Investments, and the owners. I think we must give a certain amount of credence to the integrity of provincial governments, but after that we watch them rather carefully to make sure that our money is secure and full value is received by the Canadian people. But I am awaiting further reports.

HEALTH

ALLEGED UNACCEPTABILITY OF VACCINE PRODUCED BY CONNAUGHT LABORATORIES—REASON FOR BUILDING VACCINE PRODUCING FACILITIES IN BRAZIL

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of his belief, expressed a few days ago in the House, that the vaccine produced by Connaught Laboratories is up to acceptable standards, would the minister explain why Britain has not been importing any of our vaccine for the past two years and why there has never been any export of it to the United States?

Mr. Speaker: Order, please. Surely the hon. member recognizes that this is a question concerning general policy.

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

Mr. Speaker: I fail to see how there can be a supplementary question to a disallowed question. The hon. member for Athabasca.

Mr. Yewchuk: Mr. Speaker, may I rephrase my question and direct it to the Minister of Finance who has responsibility for the Canada Development Corporation. In view of the fact that the low quality of Sabin vaccine produced by Connaught Laboratories has made it unacceptable for export to the two countries I have already mentioned, and in view of the fact that the purpose of the Canada Development Corporation is to allow Canadians to invest in Canadian enterprises, can the minister indicate why the Canada Development Corporation, instead of building a new human virus vaccine production facility in Canada, is doing so in Brazil?

Hon. Marc Lalonde (Minister of National Health and Welfare): On a point of order, Mr. Speaker, the preliminary statement of the hon. member and the premise of his question are not correct.

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ROYAL CANADIAN MOUNTED POLICE

DATE OF COMPLETION OF INVESTIGATIONS INTO SIU AND HAMILTON HARBOUR COMMISSION AND RECEIPT OF TRANSCRIPT OF PRELIMINARY HEARING

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Solicitor General. In view of the interesting, unfolding Keystone Cops saga of the RCMP and the ship called *The Answer*, which left a little to be desired in terms of the RCMP getting their man, I wonder whether the Solicitor General would check with his officials, especially with the commissioner of the RCMP, and find out when the investigation into the SIU matter will be completed, when the investigation into the Hamilton harbour matter will be completed, and whether he has yet received the transcript of the preliminary hearing in the Hamilton harbour matter. If he has not, why not; and could he report back tomorrow or at the first opportunity so that we will begin to find out in fairly definite terms how long we will have to wait, or are we going to wait

until the Prime Minister comes back so the minister can consult him and determine what to do?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I believe the hon. member asked me three questions.

Mr. Turner (Ottawa-Carleton): Five.

Mr. Allmand: Perhaps five, but I noted three. I check with the commissioner of the RCMP each week in regard to the SIU investigation. At our last meeting he told me that the investigation is still underway. There are many documents and witnesses to be examined and he cannot give me a date when the investigation will be completed, but he feels that it will be in the near future.

With respect to the Hamilton Harbour Commission, as I pointed out recently in the House charges have already been laid against five persons. Three have been found guilty and two are going to trial in the near future. The investigation is still underway because during the preliminary inquiry into two of these cases further evidence came to light which led to further investigations. Consequently, those investigations must be pursued.

With respect to the transcript of the preliminary inquiry, a transcript has now been delivered to the RCMP in Toronto. They are examining the transcript but I should say it is a very lengthy one comprising six volumes of evidence. We have also ordered another copy of the transcript for my office in Ottawa; so far it has not been received. In the meanwhile, we are in communication with Toronto with regard to those parts of the transcript that relate to questions in this House.

Mr. Speaker: Orders of the day.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I should like to rise on a question of privilege concerning the right of members to ask for and obtain information in the House of Commons. I put a question to the Minister of National Health and Welfare (Mr. Lalonde) and also one to the Minister of Finance (Mr. Turner) today, both of which were unanswered. I attempted to obtain answers to these questions by direct contact with the office of the minister of health, with the Canada Development Corporation and Connaught Laboratories. On every occasion the information was refused. If a member does not have the right, or has the right taken away from him, to seek this information in the House, I should like to ask Your Honour where he can obtain it.

Mr. Speaker: Order, please. The reason the hon. member's question was circumscribed today is not related to his right to seek information but simply by the manner in which he is entitled to use the question period to seek information. There are many other methods for the seeking of information which I am sure are well known to the hon. member.

[Mr. Nowlan.]

• (1510)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: Mr. Speaker, I should like to ask the government House leader what the program will be for today, tomorrow and next week.

Mr. Sharp: Mr. Speaker, today we are going on with Bill C-50. When that is completed we will move on to Bill C-41 in respect of western grain stabilization. Tomorrow is an allotted day, when it will be for the opposition to say what the business will be; and I think the same is true of Monday.

Mr. MacLean: Mr. Speaker, is the minister in a position to say what business the government proposes to place before the House on Tuesday and Wednesday?

Mr. Sharp: Mr. Speaker, I should like to have an opportunity of speaking with other House leaders so we can arrange a mutually satisfactory program.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in respect of government measures being brought before the House, I should like to ask the government House leader when Bill C-25 will be brought before us again. On two days in a row the Minister of National Health and Welfare has referred to the fact that this bill has not been processed. I would point out that it has not even been called by the government since December 16. I recognize that the opposition is using the ways open to it of trying to get the legislation improved, but in view of the importance of the subject could this bill not be brought before us again at an early date?

While I am on my feet, I wonder if I might ask the minister about one other piece of legislation. In view of the fact that the government is known to favour legislation respecting Heritage Day, and in view of the difficulty this matter is having as a private member's bill, would the government consider bringing in legislation on this matter?

Mr. Sharp: Mr. Speaker, with regard to Bill C-25, the reason it was taken off our current discussions was the number of occasions that I found it very difficult to arrange for a continuation of the debate. The Minister of the Environment has made a similar request a number of times, and I have been asked by the House leader of one party or another to postpone or delay its reintroduction. If I could have some undertaking from the other side that they would not delay passage of this measure, I would be very happy to bring it back. In saying that, I am not suggesting that the opposition should not have the opportunity to oppose the bill, but simply that hon. members opposite should be consistent as to whether or not they want this bill. I think the best way of deciding is by having the debate come to a conclusion and a vote taken if necessary.

In respect of the Heritage Day question, this has been under discussion by the government a number of times and I will see whether I can obtain a clearer answer in the near future.

GOVERNMENT ORDERS

[*English*]

AGRICULTURAL STABILIZATION ACT

AMENDMENTS TO PROVIDE FOR DEFINITION OF AGRICULTURAL COMMODITY AND BASE PRICE

The House resumed, from Wednesday, March 5, consideration of the motion of Mr. Whelan that Bill C-50, to amend the Agricultural Stabilization Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, in the few minutes I had before six o'clock last evening I was discussing the amendments proposed, and I ended by saying that the Minister of Agriculture (Mr. Whelan) should be ashamed to bring in an amendment to the old stabilization act, presenting it to the farmers as the stabilization plan he has been telling them he is going to bring forth to stabilize agriculture. These amendments are not very great at all, and you could do almost anything under the old act that you can with the amended act. One thing which the minister said in his speech—and I thought at the time I heard him correctly—I would like to read now:

> There is also a provision in the bill which some of my colleagues in cabinet suggest gives the Minister of Agriculture a blank cheque to support the food producers of the nation.

That is all he said. He did not go on to say what the provision of this bill was; he left that to the imagination. If he is saying that the bill will now be so written that he can do more than it says, I would respectfully submit that he could have done the same thing under the old stabilization act and really did not need to bring in amendments to do exactly what he is trying to do with these amendments. The minister attended a meeting of the Horticultural Council on Monday morning and told them, among other things:

> Nearly 40 per cent of the food we eat, by weight, is fruits and vegetables, or their products. I hope you realize how much impact on the food system your decisions can have.

He went on to explain that the percentage of fruits and vegetables eaten in Canada has gone down in comparison to the amount produced. In other words, the producers are not producing as much today in the way of fruits and vegetables as they used to. He also said that the percentage of fruit canned in Canada is less than it used to be. After giving them these figures, he said:

> What do these figures mean? How much of this slide away from self-sufficiency is because Canadians now have more money and are buying a wider variety of tropical and offshore fruits and vegetables? How much of this stems from the fact that our best fruit lands and vegetable soils are being bulldozed for highways and built up into towns? How much of it is due to the limitations of our climate? Are our marketing systems or our production skills lagging behind other parts of the world? Think about this.

Over the years I have thought a lot about what the minister was asking there and I think it is very significant that he left out the question,—"How much of it is due to government policies or lack of government policies in agriculture in Canada, especially in the fruit and vegetable fields?" The next night the Minister of Agriculture went to one of the areas in southern Ontario and made a speech to another group, telling them that farmers do not have as much tariff protection as industry; they have only 8 per cent tariff protection while industry, on the average, has 16 per cent. Well do I know this, and we have been concerned in the farm community in Canada because this government over the last few years has been giving concessions in the tariff field for agriculture and we have been losing ground.

I think it is well known, and can be well documented, that this is what has happened. The one thing that comes to my mind is the agreement that was made during the Kennedy round on tariffs, in that over a five-year period the tariff would be taken off apples. Before one year was out, what did the minister of finance of the day do? Mr. Edgar Benson removed the Canadian tariff on apples. He then came to us and said the United States would do the same thing. The United States did nothing of the kind; they did not remove their tariff but, instead, said there was an agreement and they were going to abide by it. That is what they did. As a result of this agreement, we had duty-free apples coming into Canada but had to pay duty on apples going into the United States. This is the kind of thing the government has been doing. There has been a lack of any comprehensive agricultural policy, with no stability in agriculture.

The farmer's favourite expression over the last few years has been, "It will be better next year". As a result of these policies during this time, what did the federal government do? It created a vacuum where there was little or no stability in agriculture in Canada because it had no over-all, comprehensive agricultural policy.

● (1520)

What is happening now? The provinces are moving into this vacuum. Already we find that in British Columbia there is an income insurance scheme. The reason is that the vacuum was there and the province is moving in to do something to help the farmers in British Columbia. The Minister of Agriculture—I notice he is not here—when being interviewed on television a while ago in my province said that the province of British Columbia could not come up with a scheme without him and, that they needed him. He said they were just politicking. But the province has a scheme; it is there and it is working. It covers milk, fruit, hogs and field tomatoes. Negotiations are being carried on in respect of vegetables, table eggs, hatching eggs, sheep and blueberries.

The fact that the beef growers are looking very hard and very long at the British Columbia insurance scheme shows the state of affairs the beef industry is in in British Columbia. These ranchers, these beef producers, over the years have wanted very little government interference. What has happened to them in the past year has caused them to take a look at schemes such as this because they are in dire circumstances. They have borrowed from the banks to the allowable limit. Many of them are almost on the verge of bankruptcy.

What did this government do? It interfered with the beef industry in quite a few ways during the last year, none of which interference was of any use to the ranchers in British Columbia. The minister told me that only 50 per cent of the beef produced would come under his so-called

stabilization scheme last year. I would submit that there was less than 50 per cent in British Columbia. This scheme did not do anything for the producer in British Columbia. Now I say to the Minister of Agriculture—and I see he has returned—that he should take a really good look at the British Columbia income insurance scheme.

Yesterday in his speech the minister said that the provinces were all coming to him, asking when he intended to bring in something in respect of stabilization. I wonder what they will think when they see what he has brought before this House. As I said before, the minister said on television in Kelowna that the British Columbia government could not do anything, so far as an income scheme was concerned, without him or the federal government. He said they were just politicking. That scheme is working.

The Canadian Federation of Agriculture last week spent a long time discussing the income insurance scheme. We see now that the Ontario Federation of Agriculture has made a representation to the provincial government in respect of an income scheme. The UPA in Quebec is pressing the Quebec government for an income scheme. The British Columbia insurance scheme is based on the cost of production. This is a real cost of production; it is not similar to the cost of production written into Bill C-41 in respect of stabilization, where the wage to producers is not taken into account, where the interest on investment is not taken into account, and where depreciation and other things are not taken into account. In the British Columbia provincial scheme everything is accounted for, even a living wage for the producer.

Certainly in respect of any scheme such as this, after having the farm credit bill and raising the rate of farm credit to $150,000, a large amount of interest will have to be paid on that $150,000. How can you have any type of scheme without having the interest on the investment included? In the British Columbia scheme the producers can opt in or opt out only once. The scheme continues for five years.

I say that the federal government must become involved in what the provinces are doing. The farmers will not be satisfied with anything less. They are not farming any longer as a way of life. When young people enter farming, they want what everyone else has. They want the type of life everyone else has. They want to be able to live like other working people in Canada. I do not believe they are willing to put in the long hours that were formerly put in by people who were dedicated to farming as a way of life. This bill does not come close to resembling the British Columbia scheme. It is just disaster insurance, especially if it is interpreted as it has been in the past.

It was not necessary to amend this act in order to accomplish a lot more than has been accomplished. Much more could have been accomplished, but it would have had to be done by the cabinet. One must go to the cabinet with hat in hand and obtain its approval. Also, there is a lot of lobbying and politicking. This went on in an effort to get an increase. There was no increase. I know this because I was involved in an effort to get the use of the legislation broadened in the way in which it had been said it could be broadened.

Now we find that even with the minister's blank cheque he still must go to the cabinet in order to have it broadened. I do not think he has a blank cheque at all. He has to do exactly what has been done in respect of the old act. This will mean it will be a cabinet decision. Let us stop for a moment and think about the provinces in Canada having their own schemes. There is one in British Columbia, Ontario is looking very hard at one and Quebec is looking very hard at one. Will these be the same plans? What will the ramifications be when each province is in the income insurance plan field in a way which gives the farmers the stability they want without the federal government being involved?

● (1530)

If these three large producing provinces decide to have stabilization programs of their own, programs that they can afford, what about the provinces that cannot afford to have one? Once again I say that the federal government will have to take a harder look at what is going on in Canada. It will have to listen more closely to what the farmers are saying if it does not want chaos to ensue.

Bill C-50 leaves much to be desired. All other products but those that are designated in the bill are left to the whim of the cabinet. Whether or not they are brought under the act is left to the cabinet to decide. With regard to such products as fruit and vegetables, the minister told the Horticultural Council that they constitute nearly 40 per cent of the foodstuffs consumed by Canadians. Much time will be spent in negotiation and lobbying with regard to these products. Another reason the production of fruit and vegetables has decreased in Canada today is that there is lack of stability in the production and marketing of these products. By the time these products are brought under the protection of the act, a farmer may be out of business or so disillusioned with farming that he considers selling his farm and moving to an urban area.

If 90 per cent support is all a farmer can get or else he has to go hat in hand to the cabinet, then the situation is bad. With regard to regionalism, it is thought that special deals can be made with the provinces provided the provinces and the producers make up the extra amount of money. One wonders what the minister was thinking when he drafted the bill. Perhaps he thought that we should add a provision so that the provincial income insurance programs could be included. This whole issue will become very political. If there is to be any kind of federal plan and if there is to be a different plan in each province, then a formula must be devised so that quick action can be taken, and the long intervals during which a provincial plan is negotiated would thus be avoided.

This government should catch up with the times and implement a federal stabilization plan which will be of benefit to the farmers. It is certain that farmers are the greatest people in Canada. They produce more per person than any industry. However, they are concerned about the present situation because they have a hard time making a living. They do not want to be second-class citizens. They are knowledgeable and hard working people, with production know-how. They want to work the same hours as everyone else, and that means that more people will have to be employed in farming.

Farmers want some stability in the cost of their products, and they are certainly entitled to it. However, this

bill does not provide that stability unless a disaster occurs. As I said before, this bill does not even come close to providing the stability which the minister has been saying he will give to farmers. The result of this lack of stability in the price of agricultural products will be that more food shortages will take place in the future.

The other day the minister said in a speech in southern Ontario—the reason I know what he said is that he has been sending all his speeches to my office and I have been reading them just in case I pick up a gem and find he said something different—that we exported $4 billion worth of farm products. However, he neglected to say that the bulk of those exports was made up of prairie wheat, and that if it were not for the export of wheat we would be a net importer of all the other agricultural products, which we almost are at present.

The reason for these food shortages is lack of stability in farming in Canada. We know that there are food shortages in the world. The farmers know that, and they want to produce more food. But they do not want to overproduce and listen to the same lecture that the potato growers in New Brunswick are getting today. Farmers want stability in agriculture. If they do not get it, they will stop producing; they will become less dedicated and work shorter hours. They will produce only what they can use themselves. The other possibility is that in this situation large corporate farms will come into being. They will look after production according to their own production formulas and, as is happening in industry when companies get into trouble, cut down on production. This is exactly what will happen in farming.

● (1540)

[*Translation*]

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, in taking part today in this debate on Bill C-50, to amend the Agricultural Stabilization Act, first of all I would like to pay what I consider a well deserved tribute to the hon. Minister of Agriculture (Mr. Whelan), even though he is criticized from time to time by Opposition members—after all, that is what they are here for, we cannot blame them—;since he was appointed, he has done a tremendous job in defending the cause of Canadian farmers in general. I would like to thank him on behalf of young farmers whom he tends to be more particularly willing to help. Mr. Speaker, I would like to pay him tribute because it had been several years since we have had a Minister of Agriculture so thoroughly dedicated to helping farmers. He has travelled throughout Canada from Halifax to Vancouver, accepted almost every invitation to meet farmers, to have talks with them, discuss their problems and above all devise with them solutions to the problems which agriculture is now faced with.

This bill, Mr. Speaker, fits into a global effort by the government, and the Minister of Agriculture especially, to implement a system of supply and reasonable prices for food products which Canadian people need. Since the beginning of the present session, 9 bills dealing with agriculture have been introduced in this House; 2 of them went through third reading and have become part of our Statutes, one is at the report stage one was referred to the Standing Committee of Agriculture. Five other bills, among which the one we are now dealing with, are still under study by the House.

Bill C-50 aims at providing producers with better protection. How is that to be achieved? Mr. Speaker, there are three main amendments in that bill which aim at improving the current situation. First of all, the minister wants to reduce from ten to five the number of years on which to establish the average yield of a given commodity.

Second, the minister wants to take 90 per cent of this average income instead of 80 per cent as it is done now. Third, and I think this is the most important proposal now before us, the minister wants to include a rather complex formula, a pegging formula which will take into account the increase in production costs during the last five years and adding this figure to 90 per cent of the average in the last five years.

Obviously, it is a step in the right direction, Mr. Speaker, and that is why I fully support this bill and I urge my colleagues to do the same even if they want to criticize it a little. As such, this bill tends to establish a floor price for farm products. It is not perfect.

Mr. Speaker, I do not like the word stabilization. In my opinion, the word stabilization is not very accurate. I would rather have the bill deal with a guaranteed minimum price and I think that the amendments to the legislation today are precisely meant to set a guaranteed minimum price for farm products, a price which will take in consideration the production costs, the minimum cost of production for a certain commodity evidently including a return on investments as well as a fair salary for the producer.

This bill, Mr. Speaker, is also innovating since the minister stated that from now on the support price will be set in advance, that is at the beginning of a year the producers will know for some commodities mentioned in the bill what will eventually be the support price. They will know at the beginning of a year in the case of pork, for example, based on the five previous years and the 90 per cent formula as well as cost index formula, what will be the nimimum price set throughout the year.

It is certainly a big improvement because right now only milk producers are almost assured to know at the beginning of any given year what their revenue will be. Of course, production costs are still unpredictable but among farmers, milk producers are the only ones who know in advance what they will receive for their production of the year. It is the same for virtually no other agricultural producers. The stabilization bill and the proposed amendment are aimed at establishing what I should call a guaranteed minimum price.

Mr. Speaker, that guaranteed minimum price could be obtained by establishing and recognizing a series of standard farms that could be selected throughout the country. We could have capable operators with fairly recent but not necessarily the most modern facilities. Lastly, we could establish our real costs on the basis of those of efficient operators. I do not think it is enough to have economists sitting somewhere in an ivory tower and, when I mention economists, I know that our minister is listening because he does not necessarily trust them all the time. It is not enough then to have economists sitting in ivory towers

and studying statistics to establish what should be the minimum price of a product.

● (1550)

We absolutely must have units for a given product, in the field, in the provinces, as well in Halifax as in the province of Quebec, in the Prairies as in British Columbia, which units can serve as a reliable proof of the real production costs of certain farm products. From their data we could set support prices which are important since the bill is intended to apply them on a regional basis. Indeed, a minimum price, Mr. Speaker, adopted for a given product, in a given area, could be clearly advantageous for one area but disadvantageous for another.

Here is an example. If the minimum price for producing, let us say, a pig were based on the minimum production cost in a Saskatchewan unit, where farmers can find surplus grains to feed their pigs, and applied to Canada as a whole, it would probably be unfair to the producers of Newfoundland, New Brunswick and British Columbia. That would be unfair for those who have to pay much higher production costs being located farther from the supply sources, and because, owing to the economic context those production units are in, the production costs are much higher, due to the cost of land, services and other costs.

That is why it is necessary to have standard farms established in every province which could be used as sound standards for production costs on which our economists could then calculate the so-called indexation formula on a regional basis. That formula would really reflect the costs on regional basis, so that the producers will not be disadvantaged in some instances, or too advantaged in some others, since that could happen too. If that happened, production would inevitably shift, which might result in overproduction and a subsequent drop in prices.

Mr. Speaker, I would like to deal with a specific area of the dairy industry, because even though the bill does not refer directly to that industry, it does indirectly because it does refer to industrial milk products.

The hon. member for Crowfoot (Mr. Horner) made one of his typical attacks against the Minister and the Department yesterday. He described in particular the dairy industry's position, saying that our policy had been a disaster, that the Canadian Dairy Commission was in fact a disaster, if I refer to what he said.

Mr. Speaker, I totally object that attitude by the hon. member for Crowfoot, because his statement definitely does not reflect the situation, or at least his words went beyond his thoughts.

I can say that the dairy industry is doing well, although it is facing problems. I also recognize milk producers are facing difficulties. They had the recent hardship of a marked increase in input costs. Fortunately it seems that for a few weeks at least, input costs have been declining, which is very important as far as milk producers are concerned, since they have fixed revenues and they will not go down. Therefore, a decline in input costs will obviously mean better net income for milk producers. I very sincerely hope this will happen, because it will be needed if they are going to stay in production and bring about a recovery in that industry.

[Mr. Lessard.]

It has been said by our friend the hon. member for Crowfoot that the industry was going down the drain. Such is not the case. Some producers quit farming in 1974, which is normal. Some will always quit, but fortunately others will come in, and things look good enough. It could even be said the dairy herd has probably reached a bottom point. Statistics published at the Conference on farming outlooks show that even if there was a slight 3 percent decrease in the dairy herd, there is also a marked increase in the number of replacement heifers.

Since the figures are taken as of June 1 each year, it suggests that on June 1, 1975, we shall have practically the same dairy stock as the one we had in 1973 and I think that the total production figure of 16.8 billion pounds of milk for 1974 is probably a floor production and that in 1975 it will reach 17 billion pounds. There will be such an increase because the quality of the stock is improving. Not only the size of the stock will increase but, as the trend of the last years indicates, the production per cow will improve, resulting in a generally higher milk production for Canada as a whole.

Mr. Speaker, I shall now consider the price to the milk producer. In March 1974, that price was $7.17 a hundred weight pounds of industrial milk. In March 1975, one year later, it is $10.02, following three adjustments made in 1974 and the recent increase announced in February.

Thus, Mr. Speaker, the price of industrial milk increased by 40 per cent. I note, and I am sure that my colleagues will do the same, that such an increase is good, and that even if it did not solve all the problems of the dairy industry, I think we can be proud of the efforts made by this government, by the House of Commons and, of course, by the producers, so that the price of milk in Canada might be raised for the producer.

That of course was reflected by the level of consumption, but it cannot be otherwise. And when the federal government's contribution to this global price amounts to $2.56 of the $10 a hundredweight, I think that this contribution of 25 per cent of the milk price from the federal treasury is very generous, and we have every reason to be proud of it. The $200 million, and even more, that we have distributed directly to the producers from the federal treasury, represented a very fair share, a marked effort and a very positive indication that this government and, namely, the Minister of Agriculture (Mr. Whelan) want to support agriculture in Canada, particularly the dairy industry, because it is a basic product which we could not easily do without. And I think that, as Canadians, we must make all the required efforts to ensure that we shall have enough milk in Canada to meet the needs of all Canadians.

Mr. Speaker, this bill gives fairly wide authority to the minister. Of course, I would like to make some suggestions. The minister names some products in the bill, which means that we shall have the assurance that those products will be protected by law. The act gives the definition of the agricultural designated commodities. In subclause (*a*), there is a list of the products, and subclause (*b*) reads:

(*b*) any other natural or processed product of agriculture... (as defined in the Canadian Wheat Board Act and not marketed through the Canadian Wheat Board) designated by the Governor in Council as an agricultural commodity for the purposes of this Act, hereinafter called "designated commodity";"

Of course,it gives a guarantee for this class of products. But what about the other agricultural commodities? The producers who have those products will have to wait for the goodwill of the government and the minister, for the products to be protected. To receive the protection of the law, they will have no indication a year in advance that their products will be protected at a minimum price.

● (1600)

They will have to wait for the results of a disastrous end of year to make representations to their union or through provincial governments. They will have to have those pressures made on the government in order that their products be considered. And that will inevitably lead to some uncertainty. Mr. Speaker, I would have liked that a few commodities be mentioned in that bill, commodities such as potatoes and maple syrup, which are known and easily identified. Several other commodities could also have been mentioned, and the producers could have been given the guarantee that, should a setback in market prices occur, their revenues would be protected against an overly sharp drop.

That stabilization, Mr. Speaker, and this is not the most appropriate term, is designed to stabilize commodities, both up and down. In other words, it does not freeze a profit to the extend that the latter will not decline; it merely allows a less severe setback of the producer's revenue.

But this will not prevent a setback nor will it prevent or limit an increase. It will, of course, limit a setback but does not impose limits on an increase. That is why in trying to stabilize farm incomes we should ask ourselves if we are doing it at the right time when prices for many commodities are clearly below production costs.

In the last three years production costs for most commodities exceeded the income the producer received on the sale of his products. It is then clear that that five-year average will give a figure clearly below production costs, and I think it is the weakness of our legislation. Will the calculation, the determination of the indexation formula based on the increase in production costs for the five years on which the formula will be based fill that gap? Mr. Speaker, when the minister rises and closes this debate I would like him to explain a bit more clearly how that formula will work because, basically, it is in that formula that really lies the answer to the needs of farmers.

If that formula is not adequate, if it does not give precisely that fair margin of profit to producers as related to their production cost, if it does not properly reflect that increase in production costs in recent years, we are then going to stabilize the floor price for products clearly below the cost of production, and not necessarily have solved the problem. We might have prevented the problem from getting worse, of course, but we will not have necessarily solved the basic problem which is a return on work, investments and production costs, in fact a return on the market to cover costs. That is why I would like the minister to consider seriously adding certain commodities to his bill so they will be covered immediately, and second, I would like him to be more specific on the formula of indexation for those commodities. I spoke of standard farms, Mr. Speaker, and I have spoken of them more than once. Those standard farms which already exist to a certain extent in our country, although they have other objectives, could be extended, as far as their concept is concerned, to meet the objective I have mentioned.

Yet, will we succeed in keeping young farmers on the farms? Will we succeed in ensuring that our present farmers will be replaced and will we succeed in drawing other people to agriculture, to ensure Canadians with a sufficient production of food? It is also our duty to those who need it and for whom we are responsible.

We recently passed second reading amendments to the Farm Credit Act which will allow young farmers to get a start. This will help them get established in agriculture. I believe that we have not solved the whole problem, because if they are not given more credit, if fewer investments are required in the first place and if, which seems a good idea, they are allowed to earn some money outside of farming for five years to make their business a bit more profitable, and if we do not grant them a guaranteed income, I am not certain that we shall attract young people to farming, Mr. Speaker.

There is a lot of talk about a guaranteed income for society in general and I believe we should give a lot of thought to establishing a guaranteed income for farmers. I wonder, Mr. Speaker, if we should not consider a guaranteed salary for farmers because even if the salary were only basic, even if it were only $50 or $75 a week, I believe that the farmers would at least be ensured of a weekly or monthly minimum income and would have the incentive to work more to improve their farm, their productivity and the general performance of their business. This will probably have to be done, Mr. Speaker. Some may say that this is going very far. We should not be afraid of going that far, Mr. Speaker, if we want to maintain farm production in our country. This may be the price we shall have to pay because I am convinced that, in view of the way things are going in farming, and if we go back to what has been happening during the last ten years, we can predict for the future a situation in which, if we do not guarantee an income for farmers, they will leave their business and we will have great difficulty in making them go back to farming.

Not only will it be difficult to bring people back to farming, but it will cost much more, Mr. Speaker, to reestablish someone who has left farming than it would cost us today to make the necessary efforts to keep him in farming.

We are dealing with a bill whose object is to prevent agriculture from regressing from one year to another. It is a step in the right direction and I thank the minister for it. I hope hon. members, while making constructive criticism, will accept to refer this bill to the committee for a more thorough examination, to enable us to get more information from the minister and his officials so that they may explain to us—I believe they will be able to do so—the mechanisms, the means through which they hope to establish a guaranteed minimum price for farm products, which will be the actual reflection of production costs, and which will thereby guarantee an income to producers and enable them to carry on with their business.

Mr. Speaker, with this I shall conclude and I hope that the other pieces of legislation presented to this House and

related to agriculture will be quickly examined here. If I may do so, I humbly suggest that to hon. members who readily critize the government and the Minister of Agriculture, by saying they are not doing enough for agriculture. I am asking them not to accept without giving their opinion, but to examine the five bills before the House and to strive to have them expedited and passed in committee and brought back to this House for enactment so that we may appeal again to the minister and say that we want more.

Even if we asked the minister to introduce other pieces of legislation to improve agriculture, he will say: Well, pass the one I tabled first and then I will introduce more. I think we could challenge our two ministers who look after agriculture by passing the nine bills before us now. Let us dispose of those nine bills and then let us ask for more. And if they do not introduce any more to improve conditions and to cope with the situation, they will incur all the odium of the situation because they will have to introduce legislation in this House to improve agriculture.

I am not entirely satisfied with the legislation before us, but since it is an important step in the right direction, towards my aim, which I think everyone has, to provide guaranteed farm receipts I therefore recommend that we approve the bill, refer it to the committee and proceed to the consideration of another bill which, of course, seeks price support for western Canada products, grain particularly. It has no positive effect in eastern Canada, but since it is generally in the interest of the Canadian farm industry, I assure the House that we are going to criticize it. I now give notice to the responsible minister. We shall also criticize Bill C-41 a little. That is normal and I guarantee that we shall support the bill because it is for the good of Canadian agriculture.

[*English*]

Hon. J. A. MacLean (Malpeque): Mr. Speaker, someone once said that wisdom is nine parts silence and one part brevity. I will try to be brief in commenting on this bill. It is not a revolutionary or far reaching bill. It will amend the government's stabilization legislation in some ways which have become important. The main features of this bill are these: it changes the list of mandatory products, shortens the base period, increases the guaranteed support level, indexes the guaranteed support price to the level of production costs, and provides for regional support programs.

Shortening the base period from ten to five years is a step in the right direction. But costs have escalated so rapidly that it is possible that by using the average price received in the previous five years the support level will be far below the cost of production. The bill provides for a guarantee of 90 per cent, instead of 80 per cent, of the average price received during the base period. But often this will not be enough. This provision represents a retreat from the way in which base prices for agricultural products were calculated at one time. Because of present inflation rates, a guarantee representing 90 per cent of the average price received in the previous five years may be well below the cost of production. This means that the guarantee means nothing to the farmer except that the support price may be well below his cost of production.

[Mr. Lessard.]

Like the hon. member for Lac-Saint-Jean (Mr. Lessard), I have some serious reservations about the proposed indexing formula. The minister will need to explain this before the committee or the bill may have to be amended in order that the support which is to be provided when the indexing formula is used can be meaningful, and in order that the guarantee will at least meet the cost of production to the primary producer.

● (1610)

Another feature of the legislation is provision of a regional support program, a program which would have application to a number of provinces but not to the entire country. The minister has referred to this already in reference to a support price for potatoes, suggesting that Prince Edward Island, New Brunswick, Quebec and Ontario might be a regional support price area under the amended act. I am not, as yet, convinced that this would be desirable but I am glad to see that the bill will make this kind of set-up possible if it is deemed to be desirable.

For many years parliament has struggled with the question of securing adequate remuneration for farmers. From time to time governments have secured the passage of legislation with high hopes, only to find the results discouraging not only to themselves but to those the legislation was designed to help. Although I do not wish to be unduly pessimistic, I have some reservations about the extent to which this legislation will be effective. I hope the committee, when studying the bill, will look into every aspect closely and hear witnesses with a view to ascertaining the extent to which primary producers will, in fact, benefit from this measure.

The public is inclined to look upon farm legislation and price stabilization measures as having little or nothing to do with the consumer. The usual impression is that they concern only the primary producer. In fact, something like the reverse is actually the case. Bills having to do with the stabilization of farm income have a tremendous implication for consumers. If the market is allowed to operate as it seems to do naturally, failure to take remedial action will have dire consequences for the consumer, because if farmers continue to receive prices which are well below their cost of production it is only a matter of time before they are forced out of business; before they can no longer produce food even though they may desire to continue to do so. The result, in the long run, is a shortage of supply, a shortage which leads to unconscionably high prices necessary to pay for imported food or to lure would-be farmers back into production in the face of high costs involved in redeveloping land.

Part of the difficulty is that the agricultural industry is not very sensitive to the law of supply and demand, especially in this day and age when farmers tend to specialize. It often happens that a farmer cannot readily cut down his production if the price is not right. He does not withhold his product from the market when prices are falling, in line with the classic economic theory of what should happen. This is not what happens, particularly when the goods are perishable. As a matter of fact, the process seems to run in the opposite direction: as the farmer's margin of profit decreases, he is forced to produce more simply in order to live and pay his overhead charges. He struggles to produce more and more just in order to

keep his head above water, until the point is reached at which there is no profit margin and the market is flooded, at which time a large number of farmers are forced out of business through bankruptcy. This is not a situation which affords any satisfaction to consumers.

The objective of a bill as the one before us should be to provide a fair return to a farmer for his labour and his investment, at least with respect to part of his production—he can perhaps gamble on the remainder. This involves the establishment of a base price at least for a quota of his production, a base price which is realistically tied to the cost of production. As I have already remarked, there is very little relationship between present-day costs of production and average prices for the last five or ten years. In these circumstances, it behooves the minister to explain how the formula proposed in the bill will bring about a sound relationship between the cost of production and the base price proposed. The cost of production should make provision for at least a living wage for primary producers; what would be looked upon as a minimum wage in other industries.

There is a wider benefit which a bill such as this should strive to attain. Not only should it seek to help primary producers as individuals but it should be aimed at helping to preserve a rural society in this country. It was recognized in pioneer days, and I hope it is recognized still, that rural Canada has made an extremely important contribution to this country in non-economic ways, that is to say, in social ways. It gives the country stability and provides an environment in which a fine type of life—I would say the finest type of life—can be lived. It helps maintain an environment which produces a quality of life not obtainable in the cities in this technological age, or if it is obtainable there it can be achieved only at an almost prohibitive cost.

● (1620)

Therefore, I think it is in the long-range interest of this country as a whole to look upon the primary producers not as mere automatons or units of statistics producing cheap food for the people who really count—presumably people in urban areas. We should take a much more enlightened overview of the situation and recognize that people in rural areas are in themselves important. They are a very necessary segment of society who live in an environment that has the potential for producing the best quality of life that can be achieved in this country.

This is especially so in modern times where technology has made it possible for someone living in the country to have, as it were, the best of both worlds. He can have the benefits of modern living, on the one hand—provided he has the minimum income required—and, on the other hand, he can enjoy the many benefits of country life, where he can experience the beneficial effects of being close to nature, the opportunity of solitude now and again, and obtain an in-focus view of the place of humanity in the whole nature of things. This helps one realize that human beings are part of a very much larger web of life, and if we forget this elementary fact it will not bode well for our future as a country.

Some years ago I remember as a child seeing old coins which were minted over 100 years ago with a slogan on them. They depicted a sheaf of wheat on the one side, a plow on the other, and the slogan was "Speed the plow". This use of the word "speed" in its archaic sense means "prosper the plow", such as you would speed a parting guest. In those days they recognized that the basic health of the nation depended to a great extent on the economic health of rural Canada.

I hold the view that this philosophy is still valid and that we cannot have a healthy country as a whole without making certain that we have a healthy rural segment in society. I might say, in connection with the motto "Speed the plow", that there is an old English song that expresses a point of view that has gone out of fashion, one that even country people are loth to express and which I am sure the average statistical planner hidden away in some bureaucracy thinks is old-fashioned and no longer valid. I should like to quote a line or two of it:

I have lawns, I have bowers,
I have fruit, I have flowers,
The lark is my morning alarmer.
So, jolly boys, now
Here's God speed the plough
Long life and success to the farmer.

I think the Minister of Agriculture (Mr. Whelan) has a great responsibility—and not only the present minister but any minister of agriculture—to do his best, in co-operation with his counterparts in the provinces, to make sure everything reasonable is done to provide an adequate economic base for the primary producer so he can stay in production and benefit not only himself and the country as a whole but Canadian consumers of food over the long term, and this includes every member of society in Canada.

In closing, I want to bring to the minister's attention the alarming situation existing in Prince Edward Island and New Brunswick at the present time in regard to potato production. These amendments to the act will not do anything in time to save the situation for the potato producers in Prince Edward Island and New Brunswick who are subsidizing the consumers of their product to an alarming extent. I do not think the consumers of potatoes would begrudge the price they would have to pay so long as the primary producer received a fair price. But the irony is that everyone who handles potatoes from the time they are produced until they find their way to grocers' shelves is probably making just as much profit in a poor year as they would in a year when potatoes are reasonably well priced. The same amount of freight is paid on potatoes, there is the same mark-up in the stores, and the jobbers take the same percentage. Those who supply containers make the same profit as in any other year. But the primary producer has to suffer a loss when the consumer does not pay a reasonable price for his product.

I should like to see action taken to correct this situation in the long run. In the meanwhile, I implore the minister to implement as quickly as possible some emergency plan, if he has not already done so, to divert present production in Prince Edward Island and New Brunswick to some other use or to export—subsidies would be required—so that this year the producers will not be pushed into bankruptcy and will be able to plant a crop this spring. This

emergency action should be taken so they can continue to produce what is one of the best food values the Canadian consumer can have, even when the price is a profitable one for the primary producer.

Mr. Derek Blackburn (Brant): Mr. Speaker, although I am not an expert on agriculture I have in the last few years developed some understanding of the plight of the farmers, particularly those in southwestern Ontario—a part of the country where people from other parts of Canada often think farmers are wealthy—and especially those in my own constituency. The current economic problems which most Canadians are presently trying to endure are having an even greater impact on our farming community. Many producers are being caught in a cost-price squeeze, and have been caught in fact for many years, as we all know. Land speculators, encouraged by inflation, are discouraging potential new farmers by forcing land prices and interest rates to go higher all the time. Established farmers are finding it difficult to plan ahead due to inflation. Management decisions are hard to come by when the economy is uncertain.

Granted, this is generally true of all business sectors, but particularly more so in the agricultural business. Farmers cannot artificially raise the price of their product as other business enterprises have, and very successfully, in the past few years. Even though farm product has remained relatively depressed in terms of price, the individual farmer's costs have skyrocketed. The minister himself suggested this yesterday when he stated that poultry supplements cost an average of $150 a ton. Yet the farmer's price for this commodity has remained relatively low.

● (1630)

Surely, then, Mr. Speaker, it comes as no surprise to anyone that farmers have left the farm at an ever increasing rate every year. What reasonably-minded individual would remain when he sees production costs go up while the sales price goes down or remains the same? Farm machinery is another example of the everescalating costs to the farmer. Yet another area where farmers have witnessed a shocking increase in cost is fertilizers. What is a farmer, then, to do? Should he remain on his land, work unbearably long hours and receive near poverty wages? The answer, I believe, is that farmers are seeking new sources for making a living in the urban centres; statistics seem to bear this out.

The Minister of Agriculture (Mr. Whelan) has gone to great lengths in the past to extol the vigour and resourcefulness of our agricultural sector. Rarely a day goes by when the minister is not speaking to a particular agricultural federation or group explaining to them the hardiness and capabilities of the Canadian farmer. What has been accomplished by these long-winded statements? The minister has educated the public by telling them that it is not the farmer who is gouging the public when food prices go up, and for this he is to be commended.

Having realized this, the minister has on numerous occasions stated that "the farmers are fighting—they are insisting on being heard and they have a lot to say". That is all very true. Nevertheless, it is time the minister stopped his ceaseless adorations of the farming community and provided farmers with the stability they rightly deserve. We have long passed the point where farmers were satisfied to tread water strictly for the aesthetic value placed upon that type of life. Successive governments, not only here in Ottawa but in the provinces, have taken farmers for granted for many years because they knew that farmers would rather live the rural life in a rural community than sell out at any cost or at any loss and move into the city to take a menial job for which they were not prepared or educated.

[Mr. MacLean.]

I know only too well of the integral part which the farming community plays in the economic community. My home town of Brantford, where we have Massey-Ferguson and White Farm Equipment, would soon become a ghost town were it not for farm-related industries. I firmly believe, like other members who have spoken before me, that farmers are fed up with the yo-yo-like fluctuations of prices they have had to put up with for many years.

Having said this, what has the minister proposed in order to rectify the situation? The answer is, I am afraid, "Next to nothing." The minister will have to keep stomping around the country reinforcing the thought to farmers that their way of life is indeed a gracious one. If you cannot provide stability and a decent financial return on the farmers' labours, they will at least know the social virtues of their way of life.

I had hoped that Bill C-50 would have provided the stability farmers have long awaited. Unfortunately, after two long years the minister introduces a mish-mash of amendments which will for the most part not reduce the plight of the farmers. One can only wish that the minister had put in as much time drafting this legislation as he did in drafting his more than abundant speeches. Then we might not have had to hear that farmers are "coming out fighting and pleading to be heard". When considering that we receive letters containing this plea almost every day, the numbers that cross our desks must weigh nearly a ton.

In examining the bill, one can only come to the conclusion that it will prove to be as hopelessly inadequate as the original bill. Previously, the mandatory support level rested at 80 per cent of the last ten-year average. Now it is to be elevated to 90 per cent of the last five-year average. I suppose we have to thank God for small potatoes in this case. This is all very well until one takes into consideration present inflationary trends. No one could suggest that one was stepping out on a limb in assuming that inflation will run at about the same astronomical rate in the next few years as it has to date.

When viewed in this respect, the previous five-year average clause will be almost useless. Farm machinery prices, feeds and fertilizers will all continue to rise in price, yet—as I remarked earlier—the farmer's receipt for produce has not risen substantially in the last five or ten years. Input costs have not been, and it appears in the near future, will not be, computed in determining the average price of the commodity. Granted, there is an indexing clause in the legislation, but as was pointed out by one of my colleagues, it has not been specifically spelled out. We do not know what costs will be included or how they will be calculated. Hopefully, the minister will enlighten us on this particular aspect during his speech on closing this debate.

Yet another part of the legislation which is very open to discussion and question is that part regarding the participation of producers and/or provinces to set a higher support price than that provided under the law. It seems to me that present legislation already provides for a base level but not an upper limit. One could facetiously argue that the minister put that clause in the bill with the intention of setting a support price somewhat lower than adequate and then saying to the producers and provinces, "Either put up or shut up".

I said at the outset that I did not intend to take up too much time of the House on this topic, important though it is, so let me conclude by saying that I support the minister's idea of making Canada self-sufficient in terms of agriculture. Nevertheless, if we are to achieve this goal we must strive to help the farmer keep his self-respect in terms of the arduous task he is performing. As I said earlier, it is not enough to extol the virtues of the farming community; farmers are sick and tired of this. At a time when millions are going hungry around the world, we must cease treating farmers as third-class citizens. Farmers are becoming a rarity in communities right across the country. Let us provide them with the respect they rightly deserve. The means of achieving this is to provide them with reasonable stability as far as marketing procedures are concerned. If this government and the minister continue to pursue the type of ad hoc policies they have pursued in the past, we will only be pushing more individuals out of a field which is vital to both Canada and the world.

In a speech to a Lion's club on February 18, 1975, the minister stated:

—farmers despise subsidies; they would rather get a fair income out of the marketplace—

I agree to an extent, but let me read what the minister stated on another occasion:

When land is frozen into farming, farmers have no choice—at that point it is society's responsibility, his and mine, to provide the climate that will give an efficient farmer a reasonable return.

Let the minister act on his own words. If I understand the farming community accurately, what farmers want and desperately need is the assurance that when they raise a herd or plant a crop they will have a fairly good idea of what they will get in the way of prices when they market their products. To the best of my knowledge, 2,000 industrial milk producers in Ontario, and 2,600 in the province of Quebec, gave up and sold out in 1973 because they simply could not get a decent price. I see the minister shaking his head. This may have been in 1972, but it was certainly in the last two or three years. This tragedy must come to an end: I think the minister would agree with that. We just cannot continue to take farmers for granted in this callous fashion.

The welfare of this country still depends on the top six or eight inches of its arable land—land which is, incidentally, shrinking in acreage all the time because it is being sold for urban and industrial development. This is a problem with which the Minister of Agriculture or somebody in the federal government must come to grips. We should pass very strong federal laws to restrict the growth of cities and urban communities in those areas of Canada where there is valuable arable land. This is not being done. Local municipalities, township councils, and so on, are attempting to do it but they do not have the clout of the federal government: only the federal government can do this, and it should do it very quickly. Unless the minister moves more quickly, we will end up being a net importer.

As an indication of how fed-up the farmers are becoming, one need only read some of the current speeches made by the president of the Federation of Agriculture, which for years was simply an offshoot of the Ontario Progressive Conservative Party. The speeches Mr. Hill has been making recently remind me of the speeches representatives of the Farmers' Union were making ten years ago. That is how desperate many small and large "C" conservative farmers are today in Ontario, where he is calling for very stringent bargaining powers. His speeches almost read like trade unionist speeches. That is where they are going at the present time: I look forward to the time when the farmer recognizes he has a friend in the trade union movement and when the trade union movement recognizes it has a friend in the farmer. Both must bargain for wages and prices.

● (1640)

If the minister, his predecessor and the government were more responsible in respect of the farmer, they would have done something and this situation would not have come about. However, today the farmer is becoming angry: this is evident in my constituency when I am invited to the many rural dances, banquets, and so on. The warden's banquet is one of the biggest. While the farmers, when they attend, are not angry and do not intend to embarrass me, at these social functions I receive a very distinct impression that they are very unhappy and that something is wrong in the rural community today.

In closing, I suggest that while the Minister of Agriculture does much travelling and makes speeches to many farm groups and individual farmers, he should stop talking and start looking. In that way my waste-paper basket would not be so full, and he might learn something from the farmers.

Mr. William Andres (Lincoln): Mr. Speaker, it is a great pleasure for me to have the opportunity this afternoon to add any support to the bill before us. Because of involvement in agriculture and the diversified area I represent, I am sure this bill will add stabilization and confidence to the agricultural industry which is of the utmost importance not only to this country but indeed to the whole world.

I very much appreciate the fact that members on the opposite side of the House have made only token efforts to criticize the bill. I believe they recognize the value of stability and the insurance it gives the agricultural community. Agriculture is, always has been and always will be, the most important industry in this country and indeed in the world, especially today when we recognize the many developing countries and the food shortages which exist. Canada will increase, and has increased, its production of agricultural commodities. It has taken its place in the world and has supported those in need.

In the past we have had haphazard, "dog eat dog" marketing which has not worked out too well. This situation forced many young people to leave the farm and go to

urban areas. The introduction of marketing boards in respect of various commodities has created some stability in the agricultural industry and has encouraged young farmers to remain on the farm. We now have many aggressive and forthright farmers who are eager and willing to put in a day's work to produce our products. Greater efficiency through mechanization of the industry has increased production and has assured a high level of return to the farmer.

I represent a very diversified riding. In fact, it is one of the most productive ridings in Canada. It is sometimes referred to as the Garden of Eden in the Niagara peninsula. We even produce some eggs. In the Niagara peninsula the growing of grapes is one of our major industries. We also produce peaches, pears, cherries, plums and apples. We grow every kind of fruit that it is possible to grow in Canada. We have large areas devoted to vegetable production and the operation of greenhouses. We also have some of the largest poultry operations to be found anywhere in Ontario. In addition, we have some of the largest hog operations to be found anywhere in Ontario, even with all the problems relating to hog operations.

We have many dairy and beef operations in the southern part of the riding. Grains are grown, on a smaller scale, in the southern part of my riding. There is a large horticultural station located in the heart of the riding. Any problems which may exist in respect of agriculture would immediately be found in this particular area. These problems have shown up in the past. Farmers, through their ingenuity and hard work, have overcome many of the problems. However, that is not sufficient; we need some consideration and protection by the higher levels of government.

Contrary to what some people believe, and contrary to what is often reported in the news media, the food industry in my particular area is far from dead or dying. The fruit industry is growing. It is an important industry in this country. In fact, the industry is just getting its second wind through the help of federal government programs. We have assistance at the present time in respect of cold storage facilities. There has been reconsideration of some of the tariff agreements in order to protect our industry and to provide some stability in our markets. The federal government has embarked upon a program which will ensure an adequate supply of labour: our industry sometimes has been hurt because of an inadequate supply.

Now the Minister of Agriculture (Mr. Whelan) is presenting Bill C-50, which is flexible enough to ensure at least some degree of stability in the agricultural field. Certainly there are some weaknesses in the bill. These have been indicated by the opposition members. Nothing is perfect. There is still much to be done to put together a bill which the agricultural people deserve, and we have always taken up this challenge. I believe this is as it should be. This is what has brought about the fact that we have one of the best agricultural industries in the world—one of the most efficient and productive industries. I know, from speaking to many farmers in my area, how they feel about the fact that we have a Minister of Agriculture who knows the problems of our industry, who understands them and who takes action such as is proposed in Bill C-50.

● (1650)

I can go on and on giving examples of the actions of the minister and some of the comments and feedback from the agricultural people in my area. The minister has created, with his presence alone, an air of confidence and stability.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): That sounds like something the minister wrote for the hon. member.

Mr. Andres: The Minister of Agriculture has done more for the well-being and the welfare of the agricultural industry in this country and in the world than any man I know.

Some hon. Members: Hear, hear!

Mr. Peters: Gene, how can you remain modest after that comment?

An hon. Member: He is a very humble man.

Mr. Andres: That is the kind of confidence that the industry needs. It is not only hand-outs that the farmers want. The hon. member who spoke before me quoted from some of the speeches made by the minister. Farmers do not want hand-outs, but in some areas they need consideration and protection from time to time. This bill should receive relatively quick passage in the House and in committee, and it should be implemented as soon as possible so that the industry can benefit from it. Farmers are not looking to this bill for hand-outs; they are just looking for some assurance that they can improve and increase their production and be assured of a fair return.

An hon. Member: Excise tax on grapes.

Mr. Andres: The hon. member mentions excise tax on grapes. We have just gone through that. I have had many discussions with the Minister of Finance (Mr. Turner) on this very subject and I have had many discussions with people in the agricultural industry. Certainly they are not too happy when something is taken away from them. But these people will buckle down and make things worth while. They are producing new types of grapes and a new type of wine that will be competitive not only in this country but anywhere in the world.

Some hon. Members: Hear, hear!

Mr. Andres: Farmers in my area, and indeed throughout the country, are a very proud and hard working lot. It is because the minister understands their problems and needs that they are prepared to move forward with their production, with the assurance of stability that Bill C-50 will bring to the agricultural industry. Mr. Speaker, I do not want to take up any more time. I have indicated the feelings of the people in my area, and I am sure that I speak for many farmers in the country. Certainly, many people ask for more than they can get, but farmers are pleased to see that we have a minister who is interested in their problems and ready to take steps to correct them.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Is there not some way, under our rules, whereby after a speech like that the Minister of Agriculture (Mr. Whelan) could stand up and bow?

Some hon. Members: Oh, oh!

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, one would think the minister would at least blush and show some appreciation for the bouquet which he has just received, because he might not get a comparable one in my remarks.

Mr. Baker (Grenville-Carleton): Give him one from the potato growers.

Mr. McCain: I was rather impressed with one remark made by the minister yesterday when he said that Canada has the best agricultural program in the world. I happen to come from an area which finds itself in some difficulties, as was mentioned earlier this afternoon by the hon. member for Malpeque (Mr. MacLean). While we are staggering along in our own section of agriculture, the European Economic Community has found ways of picking up surpluses in potatoes and delivering them to various parts of the world at prices which do not even cover the cost of freight and packaging. We had nothing like that. The EEC dump their potatoes in markets to which we would have access in an ordinary competitive position. We understand that directly or indirectly products within the EEC are subsidized in such a fashion that the farmers are virtually guaranteed a profit. This is not the case with Canadian farmers: our situation is certainly not the best.

One example of the problems which the Canadian meat industry is facing today is illustrated by Japan, which stated that for economic reasons and for reasons of foreign exchange it could not import some of the items it was importing four or five years ago. However, they were pressured by their beef industry to take action to prevent the destruction of the market. The question which meat producers on the North American continent, in Australia and New Zealand must ask themselves is whether it is an economic problem in Japan or a domestic agricultural problem. Obviously, the press would say that it is a mixture of the two.

So our position is not the best. Not too long ago, meat producers on the North American continent found access to markets in Europe for very important shipments of poultry meat. That market has been denied the North American continent by positive action taken by agricultural ministers within the EEC. The market is now closed to them.

May I call it five o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Surrey-White Rock (Mr. Friesen)—Immigration—Alleged RCMP investigation into racial trouble in British Columbia—Possibility of intensified program of deporting illegal entrants; the hon. member for New Westminster (Mr. Leggatt)—Health—Inquiry as to standards for asbestos fibres in air—Conditions at Clinton Creek mine in Yukon; the hon. member for Palliser (Mr. Schumacher)—Post Office—Possible removal of picture of Queen from prestamped envelopes.

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

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think that motion No. 21 is in the possession of the House and could now be debated. But there have been some discussions, and we are prepared to let it stand as well as motion No. 17 on the assumption that they retain their position.

Mr. Baker (Grenville-Carleton): That is the understanding, Mr. Speaker, and I thank my hon. friend.

Mr. Deputy Speaker: Is it agreed that motions Nos. 21 and 17 for the production of papers will be stood but will retain their position on the order paper?

Some hon. Members: Agreed.

● (1700)

Mr. Deputy Speaker: We will proceed with motion No. 22 appearing in the name of the hon. member for Dartmouth-Halifax East (Mr. Forrestall).

CANADIAN MERCHANT MARINE

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved:

That an order of the House do issue for a copy of all studies, notes, position papers, memoranda, etc., relating to the requirements of Canadian shipping with respect to the proposed formula for import/export conference rated seaborne trade, in terms of the number of ships required, the capacity of Canadian shipyards, the number of Canadian merchant seamen required, the level of ancillary shipyard related industries of design capability, etc., in the event Canada ratifies the proposed code of conduct for liner conferences.

He said: Mr. Speaker, because I have only 20 minutes to speak, I ask the indulgence of the House to allow me to refer to notes so that I will not get sidetracked, because I feel that what we are dealing with is very important. On a very careful reading of *Hansard* of January 29 and February 12 I am, frankly, at a loss as to why the government wishes to have this motion withdrawn. The Parliamentary Secretary to the Minister of Transport (Mr. McIsaac) is recorded as having said on January 29, at page 2716 of *Hansard*:

—studies have not been prepared on the hypothetical ramifications of the proposed cargo sharing formula for Canadian ships, shipyards, shipyard related activities, or merchant seamen.

If such is the case, I would submit that it is further concrete evidence of the bumbling incompetence and missed opportunities which have for so long characterized so much of Canada's approach to maritime policy under this government. But to refuse to study the impact of a proposal which could provide Canadian shipyards with over $1 billion of orders, give over 180 new ships a Canadian flag, provide jobs for 7,200 mariners and support an annual payroll of over $150 million, not to mention reduce greatly the estimated $1½ billion Canada wastes each year in foreign shipping charges because this administration does not want a Canadian flag fleet for international trade—the reason for that refusal escapes me completely. I noted with confusion that, contrary to what the Parliamentary Secretary to the Minister of Transport said, the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Guay) on February 24, at page 3528 of *Hansard*, said:

At the present time Canada is considering certain factors which will determine whether or not Canada accedes to the code.

In simple terms, I have asked for copies of these studies Canada is making. The Parliamentary Secretary to the Minister of Transport says that no such studies have taken place and asks that I stop requesting them. On the other hand, the Parliamentary Secretary to the Minister of Regional Economic Expansion says that Canada is studying the matter. This is obviously a case where the left hand does not know what the right hand is doing. When it affects a multibillion dollar industry such as the shipping industry in Canada, it is nothing short of a national disgrace.

On February 24 I complained that a number of questions which had been standing on the order paper for some three months had not been answered. Miraculously, they were answered last Monday. Permit me to read into the record question No. 1131 as follows:

How many ships would be required to accommodate the movement (a) out of Canadian ports to foreign destinations (b) into Canadian ports from foreign destinations of 40 per cent of the present liner conference rated cargo?

I asked this question because the ratification by Canada and sufficient other shipping nations of the proposed code of conduct for liner conferences under discussion today would guarantee Canada an immediate ability to insist on having up to 40 per cent of the present conference rated cargo in and out of Canada. I asked it because at present we have a fraction of 1 per cent carried in Canadian bottoms. I asked it because I was concerned about the impact on Canada, in terms of positive value to the shipping industry, which this code could bring about. What was the answer? It was as follows:

[Mr. Forrestall.]

Under section 12 of the Shipping Conferences Exemption Act the Minister of Transport reports annually to parliament on liner conference operations. The latest report covered the calendar year 1973 and was tabled March 28, 1974. ... As indicated in that report statistics collected demonstrated the necessity for closer control at the reporting source and for a refinement of interpretation. Appropriate means of satisfying these requirements are being developed with the co-operation of Statistics Canada. In the meantime, satisfactory statistics are not available on the liner conference rated cargo carried in conference vessels.

In a nutshell, the government does not know what the impact of this proposed code of conduct would be, and that is why I raise the matter. Question No. 1,132, also, after sitting without an answer for three months, received a very hasty answer on Monday. The question was:

How many merchant seamen would be required to accommodate the staffing of the number of ships required to accommodate the movement (a) out of Canadian ports to foreign destinations (b) into Canadian ports from foreign destinations of 40 per cent of the present liner conference rated cargo?

What was the answer? It was:

Satisfactory statistics are not available on the liner conference rated cargo carried in conference vessels.

The government, with some $30 billion to allocate to the priorities of the nation, with hundreds of experts, consultants, advisers, research teams and committees, just plain does not know. I suggest that the government does not know because it does not care. I submit that the Canadian shipbuilding industry, the repair industry, the merchant seamen and all the other maritime related groups in Canada who have given their support so many times to this government have been duped into accepting promises heaped upon promises. There have been pledges heaped upon pledges, behind which there is neither conviction, leadership, dedication nor coherent, philosophical attachment.

It is instructive to ask why this lamentable situation exists. Howard Darling, in his scholarly report entitled "The elements of an international shipping policy for Canada" released by the government on January 30 this year, condemns the lack of any single, identifiable department responsible for Canadian maritime policy. He points out that the present statutory provisions relating to shipping in the National Transportation Act are hangovers from 1947 when we had a fleet. We do not have one now, yet the law remains unchanged since then. There is no cabinet or executive directive to fill this incredible legislative void. As of January 30, 1975, all we have is an interdepartmental committee, lacking cabinet direction and lacking a mandate from anyone but the Minister of Transport (Mr. Marchand).

More incredibly, prior to January 30, 1975, we did not have so much as an interdepartmental committee. Does this indicate high level concern? Who is responsible? Is it the Department of Transport, the Department of Industry, Trade and Commerce, or the Department of External Affairs? I was even more confused when the Parliamentary Secretary to the Minister of Regional Economic Expansion took the ball for the government in the debate of February 24.

Let us travel a bit farther down the road. The Minister of Transport has been on record for over 30 years as being in favour of some form of merchant marine in Canada, first with the CNTU and most recently as Minister of Transport. On November 4, 1974, at page 1007 of *Hansard*, he is recorded as being in favour of this. In answer to a question I raised with him as to whether Canada would accede to the proposed code of conduct for liner conferences, he said:

I am inclined to support the idea which the hon. member expressed, that he is in favour of a merchant marine in Canada.

Naturally enough, the newspapers across Canada for the umpteenth time reported that the government was inclined to support or favour a merchant marine: something of a fraud, I suggest. The same minister today says to this House that he has not studied the matter and asks that members of parliament not ask questions or seek information, and he asks me to withdraw a motion calling upon the government to put up or shut up. I submit that the government indeed has some shadowy studies, but because of its all too characteristic tendency to sleepwalk and evade issues and answers it has not given any priority to the matter. The same government which spends thousands of dollars researching the origin of the term "fuddle-duddle", today says that it cannot find the money, the men or the will to study the impact on Canada of its dependence upon foreign flag fleets to carry Canada's export trade.

Mr. Speaker, I find that argument incredible, and indeed somewhat repugnant. It is arrogance untrammelled. It is carelessness reduced to its purest form. I reject it and feel confident that if government members opposite, particularly those from areas where shipbuilding is important, such as Saint John, New Brunswick, and the St. Lawrence River valley in Quebec, really took the time to do some work, to have a look, to do other than applaud the endless stream of meaningless and diversionary press releases and rhetoric emanating from every orifice of this administration, they would be shocked and would cry out for remedial action to end what is surely one of the nation's greatest embarrassments.

● (1710)

The government says it has not even the ability to find the basic figures, and after almost a year has elapsed since this agreement was signed at Geneva by an overwhelming majority of the nations represented at UNCTAD it says that it does not know and it does not want to know. Mr. Speaker, the government has derided the efforts of members on this side of the House in the past. It said that we were misguided and wrong when we called out unanimously for a "Canadian only" coasting trade. It said we were ill-advised, that we would offend our rich and powerful friends, that we did not have the yard capacity, that we did not have the men.

After three years of hounding, and after the foreign fleets swelled their numbers in our coasting trade, they finally acted. Slowly, painfully and with incredible reluctance, this government was forced, by arguments of sheer economics and pressing national interest, to move; and they moved to admit that they had been wrong and that they had sought poor counsel. Mr. Speaker, this raises a crucial point. The government, when faced with the recommendations of Howard Darling with respect to a Canadian coasting fleet, first sought advice from the industry. This was a natural step. But in doing so, the government failed to appreciate the fact that the shipping industry that serves Canada is essentially non-Canadian. It is predictable that the agents in Canada of the foreign shipping cartels would be opposed to any expansion of new Canadian vessels into their territory.

The government first listened to these people and said no. Later, on the advice of their own transportation specialists who were detached, responsible and concerned with serving Canadian interests rather than the interests of New York, Tokyo, Athens and London, the light became more clear and eventually I was pleased to see the government act in the genuine interests of Canada.

Today, Mr. Speaker, the government is here again to say to us that it has not studied the matter, that it has not sought the documented advice of its own professional civil servants; to say that it is prepared to accept without question the opinions of the Canadian chamber of shipping, the Canadian shipping federation and others who represent in Canada a by and large foreign interest. I am prepared to give odds to anyone of 100 to 1 that if these interests are relied upon, their reaction will be, "Where is the cancer?" or, "We serve Canada well. Why change a good thing?"

Mr. Speaker, doing nothing is always easy, but Canada surely ought not to be seeking simply the easy way. It ought to be seeking to identify the Canadian national interest and then seeking to identify the ways and means by which this interest can best be served. To rely exclusively upon historically unreliable advice, to deny our public servants a chance to look into the matter from the Canadian point of view, is not only dishonest but potentially catastrophic. The reasons for this are many. Canada, it is estimated, loses in excess of $1½ billion every year in shipping charges paid to foreign shipping concerns to transport our goods to foreign markets and to bring into Canada those things we purchase abroad—$1½ billion every year! Mr. Speaker, this is a staggering sum, a sum which is an enormous drain on our foreign exchange resources.

If hon. members opposite would take the time to do other than pat themselves on the back and applaud the endless drivel coming from the treasury benches, they would see that I have asked on the order paper for confirmation of this figure. I know that for years many others have sought from the government their estimate of this figure, without success. This is another example of the overriding fact that this government does not know and seems not to care. A figure that was churned out on Monday, after the government had grunted and groaned for three months, indicated that in 1972 the nationality of registry of the vessels serving Canada under liner conference arrangements referred to and overseen in a typically inadequate manner by the Canadian Transport Commission, pursuant to the Shipping Conferences Exemption Act—an act which, incidentally, gives these liner conference groupings the right to price-fix, rate-fix and act totally outside the scope of Canada's combines legislation—was as follows: Great Britain, 52; Norway, 48; Japan,

31; United States, 29; Liberia, 19; Italy, 16; Sweden, 11; Greece, 9; France, 4; others, 233.

For the skeptical, the cynical and for the interest of those who in fact have some concern in this regard, this answer is found on page 3702 of *Hansard*. But here is the crunch: how many ships of this total involved in the liner conference trade to and from Canada were of Canadian registry? There was, Mr. Speaker, not a single, solitary one. Nil. Not one. Of the 452 ships that served Canada in these conferences, not one was registered in Canada. And the government comes to this chamber today to say that it does not feel that the proposed code of conduct for liner conferences drawn up by the overwhelming majority of the world's shipping countries ought to be studied.

The government says that the code is hypothetical, that it is not really of concern to us, that the Government of Canada is prepared to accept without so much as a second look the irresponsible opinions of the agents of the foreign shipping cartels, that members of parliament ought not even to ask the general question, that government has the whole situation under control. This is a disgrace, a disgrace born of neglect and fostered in an atmosphere of hypocrisy and near deceit. This government stands condemned if it persists in operating under the unseemly and all too cosy influence of the foreign shipping cartels. There is no doubt that its present attitude is identical to that of these offshore interests, and there is no evidence today that it is about to change its direction.

I can safely predict that there will follow in this chamber a great gush of words and sympathy. They will applaud their efforts, they will cheer their direction. But if that is the case, Mr. Speaker, the cheers will be hollow, having been spawned in deceit and nourished by years of neglect. Not a single Canadian ship is involved in the liner conference trade serving Canada. Surely no Canadian spokesman can cheer this disgraceful situation. That is all I am after today. I, alone, cannot change the course of events affecting Canada's so-called maritime policy. But I am convinced that this government can, and indeed that this government must.

Permit me to cite another factor. International inflation has resulted in a tremendous increase in the cost of building and operating large fleets of ships to serve the international seaborne trade so crucial to the development of the world community. This has resulted in a drastic reduction of the number of companies involved in the ownership and operation of ships. The mergers, conglomerations, takeovers and the like in the world shipowning community have been remarkable.

At the same time, in the last 20 years governments all over the world have begun to take a second look at their subsidization policies. Where they once simply shelled out the money, now they are saying, "Here is the money you need, but we want four seats on your board of directors; we want a percentage of your voting stock; we want to be involved with the direction in which you place your lines; we want to ensure that if public, national money is put into your operation, it operates in the interests of the home country, that it does what it is told and that it is an active arm of our foreign policy, a tool for our national purpose." That is what foreign countries are saying to their shipping companies today.

[Mr. Forrestall.]

It is the increasing participation by foreign governments in the direction of the foreign fleets presently serving Canada that poses, according to Howard Darling, the greatest threat to Canada's national interests. As the response I have cited demonstrates, Canada has no capability to move her vital export trade nor her crucial import trade except in foreign bottoms. These foreign bottoms increasingly are committed to serve the expressed national and foreign policies of members of the world community other than Canada. This is an unhealthy dependence, a dependence that is fraught with real and possible difficulties for Canada, and a policy that ought not to be pursued by this government nor tolerated by this parliament.

The UNCTAD proposals would seek to ensure that Canada could insist that up to 40 per cent of our import and export trade carried by liner conferences be carried in Canadian bottoms, yet this government does not want so much as to study the proposal. It seeks today to have the House of Commons and the Parliament of Canada consent to a policy of "no Canadian involvement in the liner conferences" and to agree that what we are doing is all well and good. Members of this party will not accept that all is well. They will not accept that the sleepwalking and lack of direction so far demonstrated is good enough because, simply put, it is not. Forty per cent of the present trade, as opposed to nil per cent: if the figure given of 452 ships is accurate, 40 per cent would be 180 ships, as opposed to none at all.

● (1720)

Let us pursue the implications for Canada of ratification and implementation of the proposed cargo sharing formula enunciated in the UNCTAD agreement. If Canada insisted on a full 40 per cent of the bottoms, at about 40 men per ship the total jobs created would be approximately 7,200. That would be increased to almost 10,000, given the cycling of men on and off duty. At the present rates of pay for mariners, the payroll would be close to $150 million—a lot of money. If the average cost of an SD 14 dry cargo carrier, with a capacity for 14,000 tons of cargo is $8 million, an order for 180 ships would mean, for Canadian yards, more than $1.5 billion. This is the promise of the concept behind UNCTAD.

Add it up, Mr. Speaker. Annual losses of $1.5 billion in foreign exchange; orders for Canadian shipyards of more than $1.5 billion; an annual payroll for Canadian mariners of $150 million. And this government refuses to look at the matter, refuses to even study it. Canadian export and import of goods is under attack. UNCTAD serves as a warning. We would be fools to ignore it. I urge the Government of Canada to reverse its present attitude of "It's all right, Jack" and initiate action now and for the future.

[*Translation*]

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): First of all, Mr. Speaker, I wish to congratulate the hon. member who has made such a clear exposition of the whole merchant marine, coastal shipping and shipbuilding issue in Canada.

If there is someone here who is really interested in this issue as the elected representative of a riding with a shipbuilding industry, it is the hon. member for Lévis. And I did not wait until I was elected to the House of

Commons to talk about a merchant marine in Canada. I used to talk about it when I was chairman of the Lauzon Board of Trade. I am known in my riding as the merchant marine Member of Parliament, and I feel this is a much more worthy title to fame than ending up like the hon. member for Darmouth-Halifax East (Mr. Forrestall) who has produced a mountain of papers to establish the necessity of a merchant marine. I shall try to do it in the few minutes at my disposal. This afternoon, the hon. member for Dartmouth-Halifax East did not need in fact a mountain of reports, studies and principles to state his views not only on the code of ethic, but also on the creation of a merchant marine for Canada.

He criticized earlier a statement made by the Parliamentary Secretary to the Minister of Regional Economic Expansion who answered a question on behalf of the Minister of Transport (Mr. Marchand). I must quote in full that answer, and I wonder if one should quote out of context a statement that lasted three minutes. He seemed to criticize this statement which I quote:

> I believe the Minister of Transport (Mr. Marchand) is on record as being inclined to support the idea of a Canadian merchant fleet. The circumstances which dictated Canada's abandoning its merchant marine fleet after the Second World War have changed greatly. The convention promotes national shipping lines, but the definition embraces even foreign ships under charter. Hence, accession to the convention would not in itself imply any commitment to develop a merchant marine.

But having personally followed the Minister of Transport in the Province of Quebec and everywhere across this country, I think that reference should not be made only to part of the answer. For my part, I did not wait to be here in this House of Commons to talk about a merchant fleet to prove my sincerity. When I participated in debates on a merchant fleet, it was not to go and get some votes but to think also about the statements by which the Minister of Transport has always stood.

When he was president of the CNTU—the central council—the minister demanded, and I congratulate him for doing so, in co-operation with several departments, that consideration be given to setting up a merchant fleet. Indeed he and his predecessors are the ones who took the decision. Mr. Speaker, if we want to talk about a merchant fleet I think we must do it by steps. What do we want in the end? How are we to proceed? The hon. member for Dartmouth-Halifax East said earlier that we have had enough studies, enough reports, that we need action.

But why in a notice of motion for production of papers does he ask that all those papers be tabled in the House? I have before me, Mr. Speaker, 8, 10 or 12 reports on coastal shipping, a merchant fleet, on the code of ethics, and I would like to sum up very quickly the two main reports.

I think that if we want precisely to build a merchant fleet we must do it by steps.

● (1730)

We saw that in 1971, the government, through the former Minister of Industry, Trade and Commerce, stated in this House that before thinking of building a Canadian merchant navy, subsidy and support programs are needed in order to help us modernize our shipyards and make them more efficient and more productive.

It is the STAP program, as we like to call it and I even know that some hon. members this afternoon in this House seem to entertain doubts about the efficiency of this program. I have not heard, fortunately, the hon. member for Dartmouth-Halifax East (Mr. Forrestall) criticize the program. If we consider its efficiency, we saw that from 1971 until 1973, subsidies amounting to 14 and 17 percent of the cost of vessels were granted under the program in order to help shipyards become competitive on the world market.

[*English*]

Mr. Forrestall: That's to look after our friends off-shore. But what about Canadians?

[*Translation*]

Mr. Guay (Lévis): Mr. Speaker, I shall come back to the comments of the hon. member who spoke before me.

I would like to tell him that I have listened with great attention to his comments and that what I have to say, when I have finished, will probably interest him. I hope he will give me his support in the fight that I have made until now, even if I am on the side of the government, so that Canada may have a merchant marine.

Indeed, motion No. 50 asks the government to consider reviving the Canadian merchant marine and applying the recommendations of the Darling report. I hope the hon. member for Dartmouth-Halifax East will not only support me during the debate on this motion, but will also try to influence his party, as the hon. member for Winnipeg North Centre (Mr. Knowles) is doing, about the position to take concerning the motion I have made in this House.

I have been told that I was being somewhat revolutionary. I am not a revolutionary, Mr. Speaker, I am simply a member of Parliament who has the right to speak, even though I am on the side of the government. And I ask the hon. member, as well as those of the Social Credit and the New Democratic Party, to give priority to this motion, not only to know if we must produce reports, policy statements or other material, but to study this issue immediately. As I ask in this motion, I would like the immediate establishment of a merchant marine in Canada to be considered. On this point, I am in agreement with the Minister of Transport because it is better for us. If we follow the whole process up till now, we see very clearly that only one step remains, and this does not involve the production of a report or papers.

We must merely see to it that an agency or a department—as I myself asked the House in November when I took part in the debate on the budget brought down by the Minister of Finance (Mr. Turner)—studies the possibility of creating a department or an agency entrusted with making all decisions and getting laws enacted.

I had the opportunity of rising in the House yesterday and stating that I was speaking on behalf of the shipyard workers; after all that is an industry, and the hon. member for Dartmouth-Halifax East knows it as well as I do. That industry is truly essential in Canada, not only to provide jobs indirectly, but to provide them directly to some 18,500 workers as a means of livelihood.

We will also have an opportunity to find out, through an analysis of that program, whether—as was implied yester-

day—the program will help the industry to modernize in order to become more efficient and productive. Such is the aim of the subsidy. It is also implied the subsidy is going into the companies' pockets. It has even been alleged that it would go into the pockets of companies favouring the liberals. Well, Mr. Speaker, I emphasize this is not so, because there is a control over that subsidy. That appears in the statement made by the Minister of Industry, Trade and Commerce (Mr. Gillespie).

The statement indicates 14 per cent will be granted for an indefinite period. It used to be for a limited time. The program was renewed every two years. The minister now says it is for an indefinite period, which leaves some hope. The hon. member referred tonight to the 180 ships that should be built to establish a merchant fleet in Canada. But if we do not have the shipyards, nor the facilities, if those industries are not assisted, I do not care whether they favour Liberals or not. Mr. Speaker, the announcement also mentions a partial cut in the subsidy. I also was somewhat disappointed at first, because the industries had grown accustomed to getting 17 per cent. But a stop has been put to that, which is the very proof that control is to be exercized on the use of subsidies. It has been stated that if the company invests 3 per cent, the government also commits itself to investing 3 per cent, to better help the industry to modernize and become more productive and more efficient, in order that when the last step has been made in the establishment of a Canadian merchant marine, those ships will be built here. I think it would have been hardly advisable, ten or fifteen years ago, to say in this House: We are going to build a merchant marine. It was not easy, Mr. Speaker, because our shipyards could not do the job at that time. We had to do it progressively.

Mr. Speaker, the STAP program, and I shall conclude on this, was good. It was good to repeat the purpose of that program in this House. No direct criticism was made, only veiled charges. Not even an hour ago, Mr. Speaker, I was talking with shipbuilders. I am not saying they are fully satisfied, no, because there was a degradation in that program. I shall have the opportunity of discussing and criticizing that program if necessary later in this House, but we must nevertheless commend the government for that step forward. I am glad to see that some members of the opposition seem to support what I am saying this afternoon in the House.

Mr. Speaker, it is not a scheme to distribute gifts and in concluding I will say that STAP is not imbued with favouritism. The program was carried out from 1971 to 1974 in 14 Canadian shipyards and we know that there are some 40 or 50 shipyards of various sizes in the country.

It has been stated that this could help the companies where investigations are launched, but I do not want to discuss the matter, Mr. Speaker. However, when such things are insinuated, I say that one must be unbiased. When the question was asked this afternoon to the Minister of Industry, Trade and Commerce, he answered that the dredging operations were under investigation. Does the member for Darmouth-Halifax East (Mr. Forrestall) specifically want to help us create a merchant marine? Without that program, Mr. Speaker, our shipyards would be entirely unable to undertake their own modernization.

[Mr. Guay (Lévis).]

Several reports have been mentioned. People apparently believe that we remain idle. The Darling report was published in October 1970, Mr. Speaker and I entirely agree with the previous speaker about it.

● (1740)

What were the main recommendations? I think it is worth looking at what happened after those reports were released, and I will do it very rapidly. Of the main recommendations, the first was:

1. The Canadian coasting trade should be reserved to Canadian-flag vessels.

2. Exploitation of Arctic and continental shelf resources should be done according to standards governing the extent of use of Canadian shipping to be required.

And I think, Mr. Speaker, that is about what the hon. member who spoke before me said, asking how many vessels were involved. It is attested by his motion. And it is found in the first Darling report on coasting trade. The third recommendation is:

3. The policy of issuing permits should be directed as much as possible and practicable toward replacing foreign vessels by Canadian vessels . . . Permits should be issued to non-Canadian flag vessels only if Canadian vessels are either unavailable, insufficient or inadequate for the purpose.

4. The provisions regarding the reservation of the coasting trade to Canadian-flag vessels should extend to the other marine activities of dredging, salvage, seismographic, supply and support vessels in offshore drilling.

5. Government assistance to new marine industries should have attached conditions on the extend of use of Canadian shipping to be required.

And that is exactly what has been done, Mr. Speaker, I refer to the Minister of External Affairs and the Minister of Transport, who made a statement, on May 23, 1974. We have published it. I see that the hon. member for Dartmouth-Halifax East (Mr. Forrestall) has the paper. For his benefit, I quote:

The Minister of Transport (Mr. Jean Marchand) and the Secretary of State for External Affairs (Mr. Mitchell Sharp) have jointly announced today that Canada will not abide anymore by some provisions of the British Commonwealth Merchant Agreement of 1931, as it was announced last fall, and consequently will reserve coastal trade in Canada to Canadian-flag vessels. A one year's notice to that effect is then given to the other member countries.

Mr. Speaker, if we are told that nothing has been done right then, if we read the first sub-section—I see that my time flies away very fast, and I would not like to forget anything—we can see that it was a first step. There was the STAP Program; there is this very firm statement of the minister. In co-operation with the Minister for External Affairs, we have made another step forward. Do we need so many documents for the third step? I do not believe, Mr. Speaker, that so many documents are required to know that the country, the government of Canada has arrived at a no-return point.

In concluding my remarks, I will take the liberty to quote the Darling Report which has been released recently by Mr. Darling himself and which is meant to be a constructive approach. I will merely give a very short summary of the studies made by Mr. Darling on the matter of a merchant fleet in Canada and on how one is to be built.

I fully agree with him. In fact, I have had the opportunity to say so not only in the House, but outside, on TV, on

the air and through the other media. The first criticism that the Darling Report expresses is the following: We have no legislation whatsoever concerning the creation of a merchant fleet in Canada. We have no well defined policy. We have no administrative guidelines.

I had not read the criticism in the Darling report. I trust the opposition will not consider my criticism as negative, but on the contrary as positive. I had the opportunity to say in this House that it will be necessary to create either a department or a body within which we may more readily establish priorities for the immediate future and no longer on the long term basis, to create a Canadian merchant navy.

Mr. Speaker, as it is stated in the Darling Report, I believe we have no definite goal. Since the Darling report says so . . . I come to conclusions. I see, Mr. Speaker, that you are getting impatient, you want me to conclude my remarks on this major and urgent problem for the benefit and the prestige of the Canadian nation. As I said before on many occasions, our country is the one that has the longest coast line. We have a large river, we have the Arctic but we have no merchant marine. This is really pitiful.

And now, Mr. Speaker, on to the Darling report recommendations. We shall need a more positive attitude toward problems inherent in the establishment of a merchant marine. Greater authority will also be needed to set these priorities within a sole department. In fact, decisions are now taken either by the Department of Transport, by the Department of Industry and Trade and Commerce or by the Secretary of State for External Affairs (Mr. MacEachen). Tasks are being shared and we work a little in a slapdash way. But should the government want—

Mr. Deputy Speaker: Order. I do want to try to be patient but since it seems to me that the hon. member's conclusions will exceed by a few minutes the time allotted to him, he should ask for the unanimous consent of the House should he wish to go on. Otherwise, I must recognize another hon. member.

[*English*]

Is it agreed that we allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

[*Translation*]

Mr. Guay (Lévis): Mr. Speaker, I very sincerely thank hon. members of the opposition as well as my colleagues, and they are many in the House this afternoon, because this is a problem that really deserves the attention of all members. No need to have shipyards in our respective constituencies to say that we must tackle the problem and that it has become urgent.

Mr. Speaker, I must say that I had the opportunity to travel at my expenses or at the government is expenses and whenever we arrived in foreign countries, I was proud of being a Canadian. But whenever we went to small countries having their own merchant marine and shipyards in full development, I was not so proud. I must say that I would be much prouder should we have shortly our own merchant marine and the government is moving in that direction.

The third recommendation in the Darling report states that if we do create either an agency or a department, we shall have to grant it real decision powers. It will have more than the limited powers provided for in the present legislation. What does the Canadian Merchant Marine Act provide for? It gives any minister the right to create boards of enquiry, to make studies. As for me, I am fed up with studies. The Darling Report on coastal shipping, on a merchand marine contains enough elements to achieve that. We will probably have to break new ground. It will be a first step. Then we shall be proud to see our own ships, built at home, representing this country and carrying our products.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. During the course of his remarks the hon. member for Lévis (Mr. Guay) referred to his private member's motion No. 50 and expressed the hope that the opposition parties might agree to an early debate on it. I think that is our view on this side of the House and I wonder whether we could have unanimous consent to a House order which might read in these terms: That private member's notice of motion No. 50 in the name of the hon. member for Lévis be considered first on the next day when the House deals with private members' notices of motions.

I present that, sincerely believing that it would be a good idea to have that debate, and I trust that we might have unanimous consent for such a House order.

Mr. Deputy Speaker: Order, please. I would very much prefer that the hon. member make his proposal after the debate at six o'clock. We could then make a decision.

Mr. Knowles (Winnipeg North Centre): I should be glad to do it at six o'clock, Mr. Speaker.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I enjoy taking part in a debate of this sort where we are in complete agreement on the basic substance of the issues before us, as we are this afternoon. There was a great deal of fiery eloquence that we heard across the House, enjoyable to listen to, and it was substantively and basically in accordance with the plea being made by my colleague, the hon. member for Dartmouth-Halifax East (Mr. Forrestall).

This debate this afternoon has opened so many doors that it will be extremely difficult, I suggest, to stay strictly within the rules of relevancy if those rules confine me to the procedural matter of producing or not producing the reports which have been requested. The whole range has already been opened as to the need for a merchant marine, and other matters related to our maritime life. Although I knew about this debate rather late in the day, having listened to the arguments put forward, my feeling is that all that is being asked of the government is that it produce some reason for the present situation on the basis of all the reports that have been produced, most of which, as suggested by the hon. member for Lévis (Mr. Guay), recommend the creation of a merchant marine. If that is so, what is it on the government side that has caused the present situation to develop?

● (1750)

Perhaps you will allow me to read into the record some statistics drawn from official government sources, namely, the former Canadian Maritime Commission, on the Canadian dry cargo merchant fleet. This gives the number of ships that there were in this fleet from 1948 to 1972. In 1948 Canada had 203 dry cargo merchant vessels of 10,000 tons. Ten years later, in 1958, Canada had three dry cargo merchant vessels of 10,000 tons, and two dry cargo merchant vessels of 3,000 tons, for a total of five. In 10 years our merchant marine had withered away from 203 to five.

In 1968, 10 years later, Canada had two dry cargo merchant vessels of 30,000 tons and one dry cargo merchant vessel of 10,000 tons. The two 30,000-tonners had been launched in 1964 and 1968 after a program of assistance to shipbuilding was introduced by the government of the right hon. member for Prince Albert (Mr. Diefenbaker). By 1972, and this remains true today, Canada had lost the entire fleet it had in 1968.

I am delighted that the hon. member for Lévis is so enthusiastically in support of shipbuilding, and I know why. The reason is that this affects his riding. For the same reason I am enthusiastically in support of the shipbuilding industry. Through the hon. member for Lévis I hope this message gets to the government, namely, that the activities of the government have caused this deplorable situation to develop.

Yesterday there was distributed to the press and to my office over in the Confederation Building, so I did not find it until I got there this morning, having been busy in committees the rest of the day, a press release on shipbuilding. I welcome it with certain reservations, because altogether too much of the subsidies is going to the riding of the hon. member for Lévis and not nearly enough to my own riding. I hope you will permit that reservation, which I think is understandable.

As a result of the activities of the government the shipbuilding capacity in my riding has deteriorated to the point where it is practically non-existent. This is absolutely deplorable, and I would invite the hon. member to come out and see its sad state. It is his government that is responsible. Now we have this half measure involving a 17 per cent assistance program.

This need for a merchant marine, and for other types of ships built in Canada, is becoming more and more important, and we have witnessed this increasing importance in the last 10 years. We have just seen a saga develop in the Gulf of St. Lawrence. Had it not such serious implications it would be comical. The police got on that ship and then got off again because they were not sure where the territorial waters ended and international waters began. We are talking about extending jurisdiction to 200 miles. From all the reports I have heard, this ship was in the Gulf of St. Lawrence. If I am not mistaken, it was the previous minister of the environment, although I was not in the House at the time, who introduced the headland to headland principle of establishing baselines from which the territorial waters limits were to be set.

On the basis of that headland to headland principle the entire mouth of the St. Lawrence River would be covered. How anyone could have thought that ship, ploughing through the ice and still within the mouth of the St. Lawrence River—not out beyond Newfoundland, but somewhere between Anticosti Island and Sept-Îles—could have been in international waters I cannot understand. Yet the government, which had Mounties on board to bring that ship back, removed those Mounties for 24 hours, and then put a larger contingency of Mounties back on board when it became sure of its position.

I would draw to the attention of that shipbuilder from Lévis that this is illustrative of the lack of direction and understanding by the government of what maritime policy is all about. I am delighted there are members on that side of the House who are in support of this measure. They ought to be sitting on the front benches. How is that for an invitation? I would like to see that, because I think then we would be working in the right direction. Perhaps I may call it six o'clock, and I will be pleased to continue my remarks at the next opportunity.

Mr. Deputy Speaker: Order, please. Before calling it six o'clock I should point out to the hon. member for Winnipeg North Centre (Mr. Knowles) that I did not want to intervene in the middle of the debate to invite him to make his proposal at that stage. I think that would have been bad practice. At the same time, I think it gave hon. members an opportunity for consultation. I hope the hon. member will understand why I followed that course. I would invite him to make his proposal now if he still has one.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, you have been most fair. That was the reason I did this in this way, and in the meantime there have been consultations. I can say on behalf of the three opposition parties that there is an agreement, and I would hope that we might have unanimous consent to a House order in the following terms: That private member's notice of motion No. 50, in the name of the hon. member for Lévis (Mr. Guay), be considered first the next day when the House deals with private members' notices of motions.

Mr. McIsaac: Mr. Speaker, that proposal is certainly agreeable to hon. members on this side.

Mr. Herbert: Mr. Speaker, I do not give my agreement. I have nothing against the motion, but it is my understanding that private members' notices of motions are taken in the order in which they appear on the order paper. I have noticed in the past that it has been the practice, in the absence of members, to pass over many members' motions. I do not approve of this practice and I do not give my consent at this time.

Mr. Knowles (Winnipeg North Centre): On the point of order, Mr. Speaker, the hon. member for Vaudreuil (Mr. Herbert) has a motion on the list, but when it was called he allowed it to stand. What is he complaining about?

Mr. Herbert: Mr. Speaker, I object to this intercession. I was not present when this arrangement was made; I was not asked and I gave no consent.

Mr. Deputy Speaker: Order, please. The proposal put forward by the hon. member could only have been agreed

to by unanimous consent at this time. It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

AGRICULTURAL STABILIZATION ACT

AMENDMENTS TO PROVIDE FOR DEFINITION OF AGRICULTURAL COMMODITY AND BASE PRICE

The House resumed consideration of the motion of Mr. Whelan that Bill C-50, to amend the Agricultural Stabilization Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, at five o'clock we were discussing the comparable programs in respect of Canadian agriculture and agriculture as it might be abroad. We will continue along the same line and take a look at the Australian program. They found themselves not too long ago with a surplus of peaches. These peaches arrived, canned and processed, on the Canadian market. They appeared in stores in Ontario at a price estimated by our peach growers to be less than the cost of harvesting and processing their peaches if sold on the Canadian market.

In contrast to this, at considerable expense people from this continent developed a market for french-fried potatoes in Australia. We still have Australian peaches in Canada, but only in times of acute shortage will there ever be anything but Australian french-fried potatoes on the Australian market, because they made it impossible for our french-fried potatoes to be sold there. They made sure that Australian french-fries were french-fries which were made in Australia. Australia has always protected its farmers in such a way that our situation cannot be considered favourable at all.

One might go on and mention country after country, and product after product which appears on the Canadian market as a result of which the Canadian producer suffers from coast to coast and no deterrent action is taken by our government to relieve the situation. There are no artificial barriers set up to prevent the flooding of our market with foreign produce. We have muddled around a little in respect of the beef industry and the protein industry, as well as with several other industries on this continent, but basically when the whole picture cleared we found that the Canadian producer received the short-end of the horn, yet we were told by the minister that we are better off in Canada than they are in the United States.

If we were to ask if we are better off in Canada than they are in New Zealand or Australia, the answer is obvious. However, as a result of the temperate climatic

conditions in the United States production costs there are less than they are in Canada. The industrial milk produced in the United States is not produced mainly in the northern areas of the United States but rather in the areas where the climate makes it possible to sustain a herd of milk cattle much more economically than it could be sustained in the northern area of this continent, Canada. It just happens that the U.S. dairy industry can buy hay from Quebec and Ontario at prices which would shock our farmers. They have been doing this for years and producing the milk to supply their market. They are not doing that for their health. Sure, people complain about milk prices from Maine to California, just as there are complaints about this from Prince Edward Island to Victoria.

This is not a country in which farmers have any great pride in respect of government policies so far as their income is concerned. For instance, when the government placed a ceiling on the price of fluid milk it did not distinguish, on a regional basis, what was the cost of milk. A great many milk producers for the home consumption market lost a great deal of money in the province of New Brunswick as a result of an unrealistic ceiling, or too small a ceiling, imposed upon them by pressure from the Minister of Agriculture (Mr. Whelan) and not imposed upon them by any force within the province of New Brunswick.

● (2010)

So long as the Department of Agriculture caters to the Department of Consumer and Corporate Affairs, both the producers and the consumers will continue to suffer as the result of the extremes of low and high cycles such as we have seen in the last two years.

It is time that the government of Canada became aware of some of the trading necessities and natural trade patterns which could exist in this world if we put agriculture at the top of our list instead of at the bottom. It seems rather significant that today we received a news release from the Department of Industry, Trade and Commerce that we will spend tens of millions of dollars to subsidize the construction of boats to keep 15,000 people at work. I do not quarrel with the policy which will make it possible to build ships in Canada, but what I do quarrel with is the façade and the sham of an agricultural policy which, in the minister's own words, will reflect upon the income of one third of Canada's people, and the pittance which is being spent and the lip service which is being paid to the industry of that one third.

A serious effort must be made by the Department of Industry, Trade and Commerce to market our agricultural products. In the research branch of the Department of Agriculture we must have an interest in the expansion of our production and a broadening of our products with an eye toward foreign markets which are available.

Since potato producers have been before the minister this week already and representations have been made to him, it is easy to give this as an example. The research branch within the minister's department could introduce to Canada a variety of potatoes which is in very heavy demand in the South American market. This is something for which agriculture in Atlantic Canada has been asking for years, and there is not yet a single seedling of the yellow fleshed potato introduced in Canada which could

be marketed in vast quantities by a properly developed industry. This is but one example. There are markets for our potatoes which could be exploited on a worldwide basis because the purity of our soil, the climatic conditions under which the seed is grown, and its freedom from disease make our potatoes unique. We have a variety of potatoes which few if any producers can match anywhere in the world. I submit that the quality of our potato industry is tops and the promotion of our industry by the Department of Agriculture and the Department of Industry, Trade and Commerce is secondary at best. This is typical of many other things which have happened under this administration.

Canada is being balkanized, in an agricultural sense, as the government tries to pass the ball to the provinces. In your approach to agriculture, an irresponsible approach I might say, why don't you get a pack of cards, boys, and you can enjoy yourselves. This is directed especially to the minister. The balkanization of the agricultural industry is now just beginning, and if it is not arrested by positive government action, the effects on a great many Canadian communities can be serious.

If, for instance, the province of Alberta were to say to every producer in Alberta, "We are going to guarantee you a profit as did British Columbia," and if the province of Ontario were to say—and there was an editorial comment on this, as I am sure the minister will remember—"We are going to guarantee to every farmer every product in our province," what will happen to a great many products grown in a great many other provinces which are not economically capable of competition in that kind of structure?

There was this threat not too many months ago when the Department of Agriculture called on the government of Ontario to show its industrial might, to distribute money in the field of agriculture and to show the rest of Canada that it could play that game too. While that game is being played in British Columbia, there are at least two provinces which have unofficially told their potato growers, "Sell your crop for whatever you can get out of it. We will see that you come out all right". That makes three provinces that are now openly engaged in the promotion of agriculture within their own boundaries, to the detriment of agriculture in the rest of Canada. This is balkanization; it is setting up competition in which communities will disappear. It is encouraging the production of crops which are not natural to some areas, and it will defeat the production of some crops which are natural to other areas and leave them stripped of their economic base.

The threat of the minister of agriculture in the province of Quebec to make Quebec totally self-sufficient in eggs, in potatoes, in corn, in grain and in beef has come directly as a result of the abstinence of the government of Canada from a program of stabilization which was traditional in this country in the first 100 years of its confederation. It has been total neglect, not a sense of responsibility, which has brought this situation about.

Here we have in this bill again, and in the minister's speech the statement that if provinces do not like our payments, the provinces may top load our structure to the advantage of their own farmers. This is inviting disaster. It is inviting another chicken and egg war which was brought on by the stupidity of the policies of the government on your right, Mr. Speaker. This is inviting another financial debacle in the meat industry, as has happened as the result of encouragement to feed grains to animals for which there was no market. These policies in the past have been directly responsible for the virtual bankruptcy of thousands upon thousands of farmers, and yet we will allow the provinces to top load, if they wish. This does not make much sense with regard to Canadian agriculture.

Now let us consider the bill itself. There are perhaps two or three differences in phraseology, but in effect this bill is the biggest piece of camouflage that has been used by any government in the history of Canada. It even surpasses the camouflage that was exercised by the Minister of Finance (Mr. Turner) when he said his policies would cure inflation, because a significant part of this bill is the discretionary clause 7(1). Let me read both clause 7(1) in the bill and the section in the old act.

Section 7(1) in the act reads:

> The Board shall from time to time in accordance with this Act take such action as is necessary to stabilize the prices of agricultural commodities at their respective prescribed prices, and shall take such action and make such recommendations as are necessary to ensure that the prescribed prices for an agricultural commodity in effect from time to time shall bear a fair relationship to the cost of production of such commodity.

Bear in mind the formula "shall bear a fair relationship to the cost of production".

Now let us read the bill. Clause 7(1) reads in part:

> (b) make such recommendations, including recommendations respecting the index calculated as described in paragraph 8.2(1)(a), as are necessary to ensure that the prescribed prices for agricultural commodities in a year bear a fair relationship to the production costs of such commodities in the year.

Here we have the key phrase of the agricultural policy of price stabilization, and it remains now as it was before at the discretion of the Price Stabilization Board and of the minister in charge because the act requires them to disregard the index structure, if necessary, to obtain a fair price in relation to the cost of production in the year under consideration for any given product. This is not just my opinion. I checked this with lawyers who have better understanding of the law than I do, and each one has said that there is virtually no change in this bill, that it is just a disguise of something old to make it look like something new.

● (2020)

There is one change, as outlined in the minister's speech, and this is one which I resent very much. I think the minister should have consideration for his industry because it has been said that there will be an interdepartmental committee which will help the Department of Agriculture arrive at a fair price which a stabilization program should set.

There is no way that any other department in the government has the capability of arriving at a fair stabilization price to the same degree that the Minister of Agriculture and his staff have. I agree that there is a time and a place for a multi-departmental consideration in respect of policies in agriculture, but I submit that there is no time and no place for a multi-party committee to sit down and decide on a level of stabilization for agricultural products.

The Department of Agriculture presumably knows the cost of production and, according to its records and bulletins, it presumably knows the price farmers are receiving. The Department of Agriculture therefore is qualified as is no one else.

It reflects the fact that the government has not had a Department of Agriculture in a policymaking position since the Prime Minister (Mr. Trudeau) took office. This multi-departmental committee would be required to be sure the urban input goes in, not that the rural and agricultural input is the deciding factor, but that the Minister of Consumer and Corporate Affairs (Mr. Ouellet) and perhaps the Minister of the Environment (Mrs. Sauvé), and heaven only knows who else, will tell the Department of Agriculture how much support it should give to a particular product. The minister has shown little cognizance of what is required. Perhaps on that basis he may need help.

It is my understanding that the potato producers of the Atlantic area have already been before the minister and presented their case. It is my understanding that he has said to them that they must prepare themselves with an organization on a regional basis. The implication is that they must have a regulated production and marketing structure. I hope that to substantiate this program the minister will produce evidence to show that Prince Edward Island, New Brunswick, Ontario and Quebec will be able to grow exactly the same number of hundredweights of potatoes every year for the next decade so that he can measure anticipated or projected production, and be accurate. Anyone who has ever grown a fruit or vegetable crop knows that this is utterly and totally unpredictable. Fruits, vegetables, and agricultural products in general do not lend themselves to man's management for an exact amount of production. I wonder, when he knows this, why the minister would make a suggestion of this nature to the industry.

I will read a little memo from the Prince Albert *Herald*, which has just been received:

> A member of the executive of the Canadian Egg Marketing Agency (CEMA) said Friday the agency is having serious internal problems and will either succeed or fail during the next month.

As has been mentioned in this House, CEMA is not out of trouble just because a committee met, was cut short, was not allowed to deliberate and could not make an in-depth study. While the egg industry may be controllable, the potato industry would be very difficult to control, particularly in view of the jealousy of individual farmers across Canada as to their own accomplishments and their own productions.

It is none of the government's business whether farmers who are in trouble are organized into the tightest organization in the world or whether they are operating individually. They are still losing money, and they still need help. If they do not plant another crop, the consumer will pay more as a consumer than he ever would have paid as a taxpayer to relieve the economic problems connected with the product in question. The magnitude of the loss to the potato industry is beyond the conception of most hon. members in this House.

Does anyone in this House realize that if the potato farmers of the Atlantic area had never dug a single potato in 1971 they would have lost less money than they will lose by digging and marketing this crop in a great many instances? The cost of production has virtually tripled in a period of less than three years. That is the magnitude of the loss those producers will experience, and it is none of the minister's business whether they come one at a time or as a group, because he has said that the government of New Brunswick and the government of Ontario will have to administer matters anyway regardless of how it is done. Let the governments of the provinces deal with each problem as it arises and give the producer a fair shake. Do not tell the farmer what to do. He has enough intelligence to know what he wants to do.

For the first 100 years of confederation we did not have ministers, bureaucrats or anyone else telling the farmer what to do. We did have a Department of Agriculture and a department of statistics which put some information before the farmer which was a help and a guide, but we did not issue orders to him, and we did not tell him he had to have a CEMA or we would not help. That is ridiculous. There are opportunities in this world where surpluses, virtually every food Canada produces, can be put away.

It should be the responsibility of the government of Canada to consider its foreign aid program and to insert our food surpluses into that food program so that Canadian agriculture could prosper and those who are starving could be fed. Instead of that we have an agricultural program which tells producers to cut back, control and manage their markets. What we do not need is a set of rates applied by the government under the Trudeau administration. What we need is a little incentive, a little encouragement, a little help.

Let us consider the potato market in particular. It is in this regard that I have the most serious complaint to lodge against the government and the Department of Agriculture. If one looks at the statistics on production of potatoes in Canada and in the United States, one recognizes the real fact of this situation. There is only one potato market, one beef market, one pork market; there is virtually only one market for every commodity produced in Canada, and that is the North American market.

When one considers the estimates published in the fall of 1974 which show a 14 per cent increase in potato production on this continent in that crop year, the handwriting was on the wall from the day those figures were published. The minister at that time should have known, before the public knew, that the potato industry was in deep, dark trouble, and not just in the Atlantic area. It was in trouble in Quebec, Ontario, and all across the eastern half of Canada. At that time there was a market which, with a little government help, could have relieved Ontario, Quebec, New Brunswick and Prince Edward Island farmers of the pressures resulting from loss in the marketing of this crop. But the pressure is being exerted by the Minister of Consumer and Corporate Affairs. It is not coming from the Minister of Agriculture.

In 1971 when P.E.I. and New Brunswick were negotiating for a little assistance for potatoes, we were told we could not take any early action because the Minister of Consumer and Corporate Affairs was afraid we might create a shortage and cause a series of high prices again. The same pressures are on us today. Mrs. Plumptre and

the Minister of Consumer and Corporate Affairs are not running consumer affairs—they are running agriculture to the detriment of Canada. Let me say again that this bill is the biggest piece of camouflage since the Viet Nam war.

An hon. Member: Were you for it or against it?

Mr. McCain: Only a socialist would ask an idiotic question like that. I regret very much that we have this bill before us in its present form. Certainly I stand for price stabilization. Certainly I stood for the old act. Certainly I stand for the use of the authority under this bill or the other act, and there is no difference.

● (2030)

The only specific difference that I can see is that the word "wheat" has been left out of the named products as though it might relate to wheat grown outside the authority of the Canadian Wheat Board. I should like to know the significance of that. It is not very likely it would come under a stabilization requirement in eastern Canada. Since barley and oats have been specifically named in the bill I wonder why feed wheat in particular, such as is produced in eastern Canada, was not included. I would ask the minister to look into this. Presumably it could be designated, and I think the reference to the authority of the Wheat Board shows that there is an element of doubt.

The agricultural industry has seen prosperity come and go. It has made a lot of money as a result of world weather conditions and not as a result of policies inaugurated under this minister or any of his predecessors in the last ten years. This minister had no control over the appetite of the Japanese while they were enjoying prosperity, nor over the crop failures in Russia which resulted in prosperity for Canadian farmers.

I would agree with the minister that some farmers were never better off than they are today, but there never was a greater policy vacuum in Canada than that which is being created under present leadership. Unless farmers marketed their beef as the minister directed they did not receive the subsidy. Many farmers in New Brunswick with small beef herds never received a nickel of subsidy. When they asked for a subsidy on hogs at a time when they were losing $15 or $20 a hog, they were told that the question would be looked at in April, 1974, which at that time was 14 months away. Mr. Speaker, that is what one would call a vacuum in policy. If it had not been for the provincial governments picking up the tab there would scarcely be a hog farmer left in Canada today.

There is a lack of policy in the agricultural industry, Mr. Speaker; there is confusion and an expansion of the balkanization of Canada. Agriculture should be a federal responsibility, and so should its stabilization. International trade should be designed to protect Canadian agriculture and give it the opportunity to expand. We should not be confused any longer by the platitudes, the jokes and happy smile of the minister while beef producers still lose $70 per animal and the potato market goes down the drain. Mrs. Plumptre complained when a few dozen eggs spoiled—what will she say if millions of hundredweights of potatoes are dumped in this country? That is what will happen as a result of the inactivity of the Trudeau government and its total neglect of agriculture.

[Mr. McCain.]

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I welcome the opportunity to speak on Bill C-50. I listened with interest to the hon. member who just sat down who talked about potatoes. I am going to change the subject to some extent.

Mr. McCain: I mentioned a lot of other things as well.

Mr. McIsaac: Yes, Mr. Speaker, he did—the Viet Nam war and a few other things.

Mr. Whelan: Never offered a solution to any of them either.

Mr. McIsaac: In a general way the present legislation to provide support programs for farm products is inadequate.

Mr. McCain: Negligible.

Mr. McIsaac: The situation that agricultural producers face in Canada today, is not one of their own making. Farmers in this country have been faced with rising costs before. They have been fighting the battle of increasing costs of everything they buy for many, many years. The cost price squeeze on Canadian farmers has been a part of their life for 20 or 30 years and, I am sure, has been the subject of debates in this House. I know it has in many provincial legislatures and elswhere. In the last couple of years farmers have been faced with dramatic cost increases for everything they buy. I need not document them here. Farmers themselves are well aware because they know the increase in price of binder twine, fertilizer, machinery and machinery parts.

Perhaps we as the members of parliament should take more time to document the increase in costs faced by farmers rather than talking to one another in this chamber. I am satisfied that the great majority of Canadians are unaware of the kind of cost increases faced by farmers. The fact that about nine out of ten Canadians, or perhaps more, never get near a farm is one of the reasons for this. If they do have occasion to visit the farm of a relative or a friend they tend to think of farming as it was 10 or 20 years ago. But it has changed, Mr. Speaker.

The industry today is vastly different from the kind of family farm that many of us grew up on; in years gone by farmers could get by with lower returns. If they were producing potatoes in New Brunswick or Prince Edward Island, they could get by if for no other reason than that families and neighbours got together to bring in the harvest. But that day has gone. The mechanical harvester, which costs thousands of dollars and must be paid for over a long period, is the method in general use today.

Bill C-50 contains three improvements over previous legislation. First is the shorter base period, second, the provision to allow co-operation with the provinces, and third, the use of the 90 per cent figure. I have one quarrel with the legislation in a general way though, and that is that it is not specific enough. The bill is primarily enabling legislation and I hope when it gets into committee that the minister will provide greater detail on how the various stabilization plans will function.

I should like to turn now for a few minutes to discuss how this bill will affect the beef cattle industry. I recognize the difficulties faced by the minister and his officials

in implementing an improved stabilization plan for the beef industry because it is more difficult to deal with than the production of potatoes or tomatoes.

Mr. Benjamin: Why is it any tougher?

Mr. McIsaac: Mr. Speaker, the hon. member for Regina-Lake Centre (Mr. Benjamin) indicates his lack of understanding of the problems of marketing beef as opposed to other farm products with a silly statement like that.

Mr. Benjamin: When did you last market tomatoes?

Mr. McIsaac: Many years ago. I want to congratulate the minister for the job he has done to provide stability in the beef industry. I am the first to admit that the plan is not perfect.

We have heard a great deal of debate, both inside this House and outside in recent months, over the possible loss of revenue and income to oil producers and others associated with the petroleum industry in Canada. To me, the irony of this debate lies in the fact that producers in the oil industry have not lost money. They have yet to lose money. They are worried, because in future they may not earn the high income they want. I do not intend to compare the oil industry in Canada with the beef industry and ask which is more important, because the health of both industries is crucial to the Canadian economy. I merely point out that although we have discussed the oil industry for weeks, that industry has yet to lose money.

● (2040)

The beef industry of Canada, unlike the oil industry, has lost many millions of dollars. Never in the history of Canadian agriculture has there been such a fanatic turn around in prices as has occurred in the last 18 months in the Canadian beef industry. Rather than go into the history of the various developments of the last couple of years, I want to look at the stabilization policy provided for under this bill, and at the $45.42 price level provided for this year.

In normal times, a one-year period from August 12, 1974, to August 12, 1975, might be a reasonable period on which to base a support policy. But I suggest that these are not normal times in the beef industry. They are chaotic times for the producer. They are particularly chaotic for the young farmer or the new farmer in that industry. I suggest that the proposed method of calculating support payments on a 12-month basis will completely fail the beef producer. I therefore urge the minister, as I did the other day in committee and privately, to consider dividing the calendar year, into four months' or three months' periods, or other short periods, in order to bring about equity in possible pay-outs under this plan.

At the end of September the market price for Grade A-1 and A-2 beef was around 48 or 49 cents in western Canada. A week or two ago that price had dropped to 35 and 36 cents. Prices, therefore, had dropped by up to 14 cents in six months. If you average prices for the last six months I am sure they would come to about the $45.42 pay-out.

An examination of prices paid at both ends of the six-month period just alluded to will show, I submit, that the man who bought cattle in the fall and marketed them in the last six weeks would not receive fair treatment under this policy. These are unusual times and we may have to consider unusual solutions. The grain grower and potato grower can put his products in the bin and store them. The beef producer is not that fortunate.

I will be the first to agree that farmers in western Canada, particularly, have leaned too heavily in the past on finishing cattle with a heavy grain ration. At the same time it simply is not possible for the industry to adjust in a year or two to different approaches to finishing cattle. The sharp increase in barley prices about a year and a half ago took place in the matter of a month. The beef people found it very hard to adjust to such a rapid change.

Let me make one thing clear: I have no quarrel with the increased price received by the grain producer. I do not expect the grain producer to help bear the increased costs of finishing cattle. But grain increased in price so rapidly that the beef producer was put in an awkward position, especially as the price of cattle was declining at home and on export markets and there was a beef surplus all across the world. Incidentally, the beef producer was not the beneficiary a couple of years ago of cheaper grain prices. It was the Canadian consumer who gained most.

I am only repeating what was said to me by beef producers in my constituency as recently as a week ago. We know that feeding and distribution costs have risen dramatically. Increased electricity costs at the plant and larger wage costs at the supermarket have been added on to beef costs. The consumer has paid a larger price. Nevertheless the consumer price has not risen as much as beef costs have risen, and the producer, as a result has been caught in the squeeze. All the people in the beef handling trade have added their costs. This bill is designed to help the producer, but it will not help him unless the minister and his officials are prepared to adjust the time frame within which support programs are to be established. I think we all want to see the producer treated more fairly.

I am well aware of the representations made to the minister by cattlemen's groups and other so-called official organizations representing the cow-calf producer. I point out that over three quarters of the producers in my constituency belong to no official organization. Also, they are not always happy with the representations which have been made to the government about adopting a hands off policy with regard to the beef industry and support programs. They are anxious to see the government introduce programs which will not disrupt the market process. I think we can devise and develop such programs.

It goes without saying that this legislation can be valuable not only for beef producers but for all Canadians. I am happy to support the bill in principle. I hope that policies which emanate from this enabling legislation will help the producer.

There is another criticism I wish to direct at the minister, and it is that these policies must be enacted more rapidly than has been the case in the past. The government must respond more quickly to producers' difficulties, especially as costs are rising very quickly. The minister is determined to help producers. He has said this on platforms in all parts of Canada. I think, therefore, that members of parliament would be performing a greater service if they spoke to groups in Saskatoon, Hamilton,

Montreal and elsewhere, instead of talking to one another here about the problems of the fruit producer.

I hope this plan will succeed. I will do my best to ensure that it does. It must be responsive and react quickly to the downturns in the market which can break a producer in a few months. As I said previously, downturns in price can have a devastating effect on the bank accounts of producers, and these effects are now far more serious than they were even a few years ago. We can discuss this measure in greater detail in committee when we examine the programs provided for in Bill C-50.

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I welcome this opportunity to speak on Bill C-50, which is to amend the Agricultural Stabilization Act. I listened with great interest to the comments made by the Parliamentary Secretary to the Minister of Transport (Mr. McIsaac). At the beginning I thought he would develop his argument about farm input costs. I think many Canadians misunderstand this aspect of farming. The minister referred to input costs yesterday, and I hoped he would develop that theme. I think the minister understands just how important input costs are.

If inflation were not rampant, I do not think this bill would have been introduced. I should also like to point out that it is inflation which makes legislation of this kind necessary—that but for inflation it would almost certainly not have been introduced.

● (2050)

The principal features of the bill are embodied in two main clauses, those dealing with the base period and the prescribed rates. In the final analysis one must refer specifically to those clauses. I believe it would be useful at this point to review them and try to understand their intent. If we consider the base period, and proposed new section 8 covers this carefully, we find an amendment stating that the base price of an agricultural commodity in any year shall be the average price at representative markets for the five years immediately preceding. I am sure all members recognize that the existing legislation makes provision for a 10-year period as the basis of calculating the average. I believe it is obvious to all of us that in today's economy, with inflation as we have seen it, a five-year period is not realistic. I cannot understand why the minister did not use four years, three years or some other formula.

Dealing with the question of prescribed prices, the bill states that for "named commodities" the amount of a prescribed price will be determined by—

> ... adjusting ninety per cent ... of the base price thereof for the year by an index ... to reflect the estimated production costs of the commodity in the year as compared with the average of production costs for the five years immediately preceding the year ...

I wish to develop this reference to production costs a little later. This is to be compared with the average of production costs for the five years immediately preceding the year. In addition, the index which is to reflect production costs is determined by the cabinet, presumably upon a recommendation of the stabilization board. For "named commodities" the percentage of the base price may be higher than the guaranteed 90 per cent—but, again, only with cabinet approval.

[Mr. McIsaac.]

With respect to "designated commodities" new section (8) says the amount of a prescribed price would be determined by cabinet—it is the cabinet which will decide what will be the percentage of the base price. As I understand the legislation this price could be higher than the 90 per cent, but it could also be lower. I think this point should be stressed. Once again the index used with respect to "named commodities" will be the same as that used to determine the cost of production.

In my view the amendments do not provide the protection for the farmer that the minister has implied throughout his speech and, indeed, in speeches made before the bill was introduced. Earlier this week I met with members of the horticultural council and they confirmed my impression that the legislation before us would do nothing more than provide some small measure of help in times of disaster. It would certainly not go any distance toward stabilizing farm income.

I wish at this point to make a few observations with respect to inflation, and in particular with regard to its impact on the farming community. I want to compare the impact of inflation upon our farmers with its impact upon consumers generally. All members will recognize, I am sure, that there has been a great deal of information concerning the effects of inflation on small business, on office employees, on consumers in general. Considerably less attention has been given to the impact of inflation upon the farm community. Yet how could one fail to note the effect of rising costs of fertilizer and farm machinery, to say nothing of the rapidly rising cost of operating such machinery? One of the tragedies of the egg marketing report which was before hon. member recently was that the minister did not see fit to enlarge the committee's terms of reference.

As has been mentioned by other speakers, there has been a lack of communication between the farm community and the metropolitan areas, a failure to draw attention to the magnitude of the increase in farm costs as compared to the increase in the cost of living suffered by consumers in general. In fact if one analyses the inflationary practices at work it is impossible to avoid the conclusion that the clauses in the bill to which I have referred, namely, those dealing with the base period and the price formula, do not reflect today's economic conditions. Let me repeat that in my view the present debate would be redundant and I do not believe the bill would be presented to the House if the government had found satisfactory ways of dealing with inflation.

I wish to refer to farm input price indexes. Farm input price indexes are published quarterly and annually by Statistics Canada on a 1961 time base—the 1961 index equals 100. The aggregate price index is divided into major group indexes, for example, land and farm buildings, farm machinery and motor vehicles, hired farm labour and other farm materials and services. Each of the major group indexes contains more specific component indexes.

The farm input price indexes are designed to measure the movements of prices paid by farmers for inputs into farm production. The indexes are price indexes which reflect only the direct impact of price changes on the cost of purchasing a specified basket of farm operation inputs. It should be emphasized that the indexes are not cost of

production indexes. The latter include not only price changes but also changes in quantities and qualities of input items, and changes in productivity resulting from better management, improved technology, weather conditions and biological forces.

I believe we need clarification from the minister in this area because I find it inconsistent that when dealing with such matters as old age security benefits, the Canada Pension Plan, and contractual agreements between labourers and employers we deal with price indexes, yet in this instance we deal specifically with production indexes which, I suggest, can be substantially lower than the price indexes. I am not confident that this formula truly reflects farm input costs. At some point, either during this debate or in the committee, the minister ought to explain in some detail what appears to be a paradoxical situation, a situation in which the farmer is not recognizing his true input costs.

I realize that statistics often act as a sedative, but I think I should risk quoting certain figures in this instance. I would refer to the Canadian Statistical Review published by Statistics Canada, for January, 1975. With respect to the base year, the aggregate index—total farm inputs—shows that prices of farm inputs have increased by more than 95 per cent since 1961. Between August, 1973, and August, 1974, the index for total farm inputs increased from 173.3 to 195.2, representing a rise of 12.6 per cent. Over the same period the cost of hired farm labour increased by almost 17 per cent, building replacement costs by 11.4 per cent, and fertilizer by 48.3 per cent. Let us look more closely at the fertilizer situation.

The price index for fertilizer averaged 103.0 in 1972, only 3 per cent higher than in 1961. In 1973, it averaged 115.5, only 15.5 per cent higher than in the base year. The rapid price increase in fertilizer began in late 1973 and by August, 1974, the index was 65.4 per cent higher than its 1972 level.

● (2100)

The price of feed has also increased dramatically above the level of 110 in 1972 to 211 in the third quarter of 1974, an increase in that short period of time of 91 per cent.

I believe this is of some value if we assess the percentage increase in the farm input price index over the period August, 1973, to August, 1974. This is the most recent 12-month period that I could find. The tables show, for example, that the 12.6 per cent increase in total farm inputs was distributed unevenly across Canada—10.9 per cent for eastern Canada and 14.7 per cent for western Canada. Over this 12-month period the majority of large increases in prices occurred in the category of "other materials and services", with the exception of a 38.7 per cent increase in the index for fencing construction and repairs. Rather interestingly—and this supports the argument of the Parliamentary Secretary to the Minister of Transport—the only area in which there was a definite decrease was in the index for feeder cattle, which showed a decline of 27.5 per cent. All other materials and services indices increased significantly.

What are some of these major increases during this 12-month period? Seed was up 81.8 per cent during the 12-month period; small tools and supplies increased 59.3 per cent; mixed fertilizer, 50.1 per cent; grain seed, 39.2 per cent. Let me give the House an indication of the recent price acceleration. If we take the three month period between the second and third quarters of 1974, in that short space of time the index for petroleum input products increased by 11 per cent, fertilizer by 14.6 per cent, and small tools and supplies for the farming community by 11.6 per cent.

I now want to turn to another avenue to compare costs of farming, and I refer to farm operating expenses and depreciation. When Statistics Canada people make these estimates, they include farm business costs incurred by farmers irrespective of whether they are paid for in cash or are accumulated in new debt. As far as possible these estimates will exclude outlays for goods and services obtained directly from other farmers. Also in the calculations, subsidy payments are taken into account in order that these estimates represent only net amounts paid by farmers.

I should like to review some of the statistics obtained from the "Quarterly Bulletin of Agricultural Statistics", published in December of 1974. If we assess these figures carefully we find that the total operating expenses and depreciation charges of Canadian farmers were estimated at about $4.8 billion in 1973, an increase of 23 per cent above the 1972 value of $3.9 billion. Farmers' outlays for production inputs have been higher in all provinces as a result of cost increases for most expense items. I think it is of interest to note that there is one expense item which was actually down, and this was property taxes. I know that will interest the minister. In 1973 there was a decline in that particular segment which was related to the implementation of the Ontario farm tax reduction program. The only area in which there was an actual drop was in property taxes.

Mr. McKinley: Thanks to the Ontario government.

Mr. Holmes: The Ontario government was responsible; there is no question about that.

Mr. Whelan: They are the highest in North America, even with the tax reduction.

Mr. Holmes: At the same time, Madam Speaker, higher grain prices contributed to the 55.2 per cent increase in expenditure on feed. In addition, a careful look at the figures will reveal an increase in fertilizer costs, to which I referred earlier. There has been some expansion in farm credit, but I suggest to the minister that a great part of that is due to the increase in interest rates that we have experienced, higher wages, etc.

I should like to take a moment to make a comparison between the farm input price index and the consumer price index, which I think should be very revealing to the minister, and certainly to the Canadian public. In terms of absolute value the farm input price index is consistently higher than the consumer price index. For example, in 1972 the average value of the consumer price index was 39.8 per cent higher than in 1961 while the corresponding farm input price index figure was 43.3 per cent higher. What is of real significance is that the gap between the two indices widened very substantially, and in August, 1974, prices were 95.2 per cent higher for farm input costs

compared with only 69.6 per cent for consumer goods and services.

In terms of percentage increases, between August, 1973, and August, 1974, the consumer price index increased by 10.8 per cent. The farm input price index, however, increased by 12.6 per cent. Also during the same period there was an increase in fencing construction costs and repairs of 38.7 per cent, grain seed increased by 39.2 per cent, mixed fertilizer by 50.1 per cent, small tools and supplies by 59.3 per cent, and the price of seed by 81.8 per cent. Between 1972 and 1973 total farm operating expenses and depreciation charges increased by 23 per cent, from $3.8 billion to $4.7 billion, while the consumer price index increased by 7.6 per cent. Between 1972 and 1973 the farm input price index increased by 16.3 per cent.

I know that these statistics may have had a somewhat sedative effect, but I think they are important in indicating the severity of inflation for the farming community. They are extremely important to the consuming public because they give them some of the idea of the impact of inflationary costs on the farming community. It is also important to note in reviewing these figures that farm input costs have been substantially higher than the price increases experienced by the average Canadian consumer as reflected in the consumer price index.

As I indicated at the outset, this present legislation has been introduced simply because of the effects of inflation. As I have indicated, this bill is of no value in view of the inflationary conditions we have today; and in my view this piece of legislation will offer no support, in terms of stabilization, for the Canadian farmer.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Madam Speaker, as this is the first opportunity I have had of making a speech in this Parliament, I should like, first of all, to congratulate you on the charm with which you perform your duties in this House.

[*English*]

This evening we heard a very depressing speech from the hon. member for Carleton-Charlotte (Mr. McCain) which was gloom and doom, hindsight knowledge and very partisan. That is the only comment I will make about it.

● (2110)

[*Translation*]

If ever there was a group of farm producers who can produce more and, from time to time, whose besetting sin is excess—you are probably aware of it as much as I am, Madam Speaker—it is the producers of potatoes in eastern Canada. In the past, they have benefited from the advantages of the Agricultural Stabilization Act which help all of them have appreciated. The minister is now introducing a bill to improve that act considerably. As the hon. member opposite said, there is an urgent need for it, and I agree wholeheartedly with him.

Hon. members are also aware, Madam Speaker, that eastern Canada potato producers are unfortunately going through a year of abundance, when prices are deflated. The resulting situation, which still persists, brought to the office of the Minister of Agriculture (Mr. Whelan), two provincial delegations, from New Brunswick and Prince Edward Island, in the hope of negotiating a solution and perhaps obtaining financial assistance for the producers, at least this year.

I am prepared to give full support to the bill introduced by the Minister of Agriculture. I do not intend to speak at length, but I hope to have soon the opportunity to study thoroughly the bill with my colleague in the Standing Committee on Agriculture. However, if I rise this evening, Madam Speaker, it is because yesterday the minister invited to do so, in answer to a question which I directed to him concerning the discussions which he held with the New Brunswick and Prince Edward Island ministers of agriculture.

I am not a farmer nor a farming expert. I have never been either a co-ordinator of the potato industry, as the member for Carleton-Charlotte (Mr. McCain) who was fuming while making his speech this evening. However, I regularly meet in my constituency a great many farmers and others who used to farm but who no longer do so, as a result of the family farm being bankrupted due in many cases to poor production. Those personal contacts have allowed me to realize the extent of the concern for the future of the family farm and potato growing.

I am happy to support the bill on agricultural stabilization which aims at amending the definition of farm commodities and the calculation of basic prices. I believe this could improve agricultural production and constitutes an excellent formula for price support. As the minister said in his speech, this is basically a matter of guarantee, and this is what the producer wants today. In the final analysis, it is a matter of small prices and orderly marketing.

Madam Speaker, the history of the dark years of potato growing in New Brunswick is a real tragedy. I do not believe I am exaggerating in saying this. But it should also be said that there were good years and even some very good ones. I shall not bore hon. members with statistics, even though I have drawers full of them. However, something must be done now, and the Minister of Agriculture is aware of it. After listening to several members who sit with him on this side of the House, the Minister of Agriculture has understood the urgency of the situation and did not hesitate one moment to introduce this excellent bill in the House.

However, does the burden of putting some order in the farming industry of Canada rest only, as the hon. member for Carleton-Charlotte (Mr. McCain) has said, on the shoulders of the federal Minister of Agriculture? I do not think so. There may have been and there probably were some mistakes. The federal government may have made some blunders at certain times, but some provincial governments have made mistakes and blunders at least as serious.

The political history of New Brunswick in agriculture is also a near tradegy and I am not exaggerating in deploring the lack of continuity in the agricultural policy of my own province of New Brunswick. Madam Speaker, I only have to say that in five years, New Brunswick has had five ministers of agriculture. Is this the way to plan in the field of agriculture? And the hon. member for Carleton-Charlotte, who criticized the federal government so bitterly tonight, was himself co-ordinator in the field of potatoes

in New Brunswick for a few months, between occupying a seat in the legistative assembly or in the House, and yet he did not bring any solution tonight. When potatoes are selling as they were last year at $16 a barrel or per 165 pounds at the farm, the provincial government eagerly takes credit for it. But when they sell at the deflated and ridiculous price of $2 a barrel, as they do now, which means at least $2.50 under production costs for most farmers, what do those people do? They come to Ottawa. They beg and cry for help. That is simply not the way to live! As the Minister of Agriculture said in his speech yesterday, it is catastrophic.

The impact of such a tragedy reaches beyond revenue loss, the disintegration of the family farm. A whole way of life is getting lost. New values and probably questionable ones in my opinion, or new socio-economic factors appear and are also very disquieting, certainly so in the eyes of many New Brunswick farmers. Enter the ogre, now called the multinational, which grabs everything on its way, including the family farm. I was told all those things. I also worry about them.

Madam Speaker, my purpose tonight was not to paint a gloomy picture and yet, unfortunately, such are the present conditions of the potato growing industry in New Brunswick. That production always went through ups and downs. People generally go bankrupt and lose everything during "down" periods. If indeed there is a serious problem, we should wonder first and foremost what farmers themselves intend to do. They do talk a lot these days. They frequently meet and have very serious discussions, Madam Speaker. There are rumours of organization. The minister himself talked of organization and marketing boards on several occasions in this House during this Parliament. He did not rule out that the provinces of Ontario and Quebec might have to organize themselves too. With regard to potatoes, all the provinces of eastern Canada should cooperate and work hand in hand. I do agree entirely.

An hon. Member: Quotas.

Mr. Corbin: Quotas, I am not that sure. What I suggested last year, Madam Speaker, at a time when a barrel of potatoes sold for $16, was that farmers should take advantage of such slack time to study their problem. They did not. This year when everything goes wrong, they meet and talk about it. I suggested not to wait for a bad year, but to do so when everything was fine. I also said that in this House six years ago, and nobody apparently heard me. But I shall repeat it tonight.

I do not think governments should or want to get the farmers organized. I do not think farmers want that either. But if producers really are determined to settle down, governments will have no alternative but encourage that initiative and materially back it by passing legislation and regulations. New Brunswick potato producers now face a huge challenge, and I am convinced they will be equal to the task, but to do so they will have to cooperate more closely, together first, then with the neighbouring provinces. I am saying that most earnestly, Madam Speaker. I shall probably be criticized back home, but I don't care. I always said what I meant, and once again I persist in saying that the greatest obstacle to bringing order into the potato industry lies with independent stands, the misleading feeling of self-confidence among producers themselves, especially during years of plenty. Only when that problem is recognized will things start to improve.

I am glad to see that an increasing number of farmers are now prepared to set their differences aside—it is very encouraging. The bill introduced by the Minister of Agriculture proposes to gear support levels to production costs. I think that is good planning. And why not? Would someone tell me. It is very good assurance.

I appreciate very much that the Department of Agriculture had potato producers in mind when it drafted this bill, specially with respect to regionalization or zoning.

Madam Speaker, there are consumers in this country, even in my area, who do not like the Minister of Agriculture not because he is not a handsome man, but the criticism that is made most often I think is about the determination with which he stands for the farming community, the small producer and the family farm. But we all know also his understanding of consumer problems, and the very high level of co-operation that exists between the federal Minister of Agriculture and the minister responsible for consumer affairs, the Minister of Consumer and Corporate Affairs (Mr. Ouellet).

In concluding his speech yesterday, the minister said:

> It is a far reaching bill. It is not a lengthy bill, but it is one of the most advanced that any country in the world is providing for its agricultural producers at this time.

I am pleased with that, Madam Speaker. I fully agree with the minister, he has my full support.

● (2120)

[*English*]

Mr. Les Benjamin (Regina-Lake Centre): Madam Speaker, I shall be brief, which I am sure will be a surprise to and will please my hon. friends on all sides. I wish to make a few remarks about the legislation. First, I wish to comment about some of the things the hon. member for Battleford-Kindersley (Mr. McIsaac) had to say. Before I do so, however, may I say a word about the issue of governmental intervention in the marketing of agricultural products.

It is historic and also current that some agriculturalists, some of whom are beef producers, are the most vociferous in their opposition to government intervention. They say: leave the market to its own free play; leave us alone because we do not want subsidies and support prices, and the government should stay out of the business. Those are the usual 19th century dinosaur type of remarks. Then when things get bad they are the first people to come down here crying and asking the politicians to intervene. I recall about a year ago that some of the same cowboys from my riding, who were most vociferous against marketing boards and government intervention particularly regarding support prices or subsidies for beef, were the first people who were down here lining up and crying.

All I can say to that kind of agricultural producer, particularly the hon. member for Battleford-Kindersley, is that if he is so smart and if the free enterprise open market system is so good, why is it that the free enterprise parties bring in agricultural stabilization legislation? I

find that very interesting, because they cannot have it both ways.

The hon. member also spoke about the beef marketing system being different and more difficult than the marketing of potatoes, tomatoes or other products. Of course it is different, but I want to suggest to the hon. member for Battleford-Kindersley, who I am sorry to see has left the chamber, that it is just as difficult to market tomatoes, and I suspect at some times of the year is more difficult than to market beef. It is a much more perishable product. There are a number of other agricultural products which are just as difficult to market as beef. If the hon. member wants to hold out beef as something different and more difficult to market than any other agricultural product, I submit this argument does not hold water.

When the beef price drops from 45 cents to 35 cents the hon. member wants the stabilization legislation to provide that the pay-out is broken down every three or four months each year, and he pleads with the minister who sits in front of him to do that. I find it interesting to have a parliamentary secretary pleading with a minister to do these things. Again I want to say to the hon. gentleman, and to other hon. members who like to plead the virtues of the open and free market system, a system which is great for the packing plants and the railways but not for the farmers and the consumers, that if their free open market unfettered free enterprise system is so great why do they cry when the market drops from 45 cents to 35 cents? That is how they wanted it; they wanted it free and open. That is free enterprise.

I do not hear them complaining on behalf of the consumers when the market goes up from 35 cents to 45 cents. When it goes down then it is different. Then without saying it, they admit that their free enterprise unfettered system does not work. Under the so-called free market system the beef producers often have no choice but to sell at prices below the cost of producing, raising and fattening those cattle.

The other thing I should like to say to the cowboy part of the beef industry—by the way unless my information is badly incorrect small farmers raise more cattle than the "cattlemen"—is that I did not hear the same free enterprise, open market, every many for himself people crying on behalf of the grain producer. I did not hear them complain a bit when you could get barley for, say, a Safeway's special of three bushels for a dollar. I did not hear a single cowboy beef producer saying that those grain producers were not getting a fair shake.

● (2130)

But now that the barley producer, for the first time ever, is getting a price for his barley that is in excess of his cost of production, the cowboy producers, the ones who believe in and promote the free, unfettered, open system for marketing beef, are saying, if you will pardon the expression, that now it is their ox that is being gored. The shoe is on the other foot. But where were they for 18 out of 25 years after the second world war when the grain producers consistently received less than they were entitled to for their product? I did not hear a single cowboy, raising cattle on the foothills of Alberta or the Cyprus Hills of Saskatchewan, saying anything about fair prices for barley producers. So I do not want to hear a word from the hon. member for Battleford-Kindersley about the high price of feed grains. In fact if he wants to talk that way, I hope he goes back to his own riding and talks to the wheat, barley and oat producers, and he will see how fast it takes them to run him out of town.

The hon. member for Battleford-Kindersley also wants the Minister of Agriculture (Mr. Whelan) to react quicker to the downturns of the agricultural market, in particular, the beef market. How about that? Again, if the open, free market system is so good for marketing beef, what is he complaining about? It is amusing that the free enterprisers in the beef industry are always happy when the market is on the upturn, but when the market is on the downturn they do not support the very system under which they want to operate. Then they cry for help to the government. When it is on the upturn they tell the government to stay out, to leave them alone, not to interfere. They cannot have it both ways. If the Minister of Agriculture is a free enterpriser—

Mr. Corriveau: He is.

Mr. Benjamin: —he should not be meddling with this great, open, free market system.

Mr. Corriveau: Who says he is?

Mr. Benjamin: If the agricultural stabilization program is not interferring with the market, I do not know what is. If I am touching a tender spot on the loudmouth over there, I am sorry.

Mr. Corriveau: I am not standing up, you are.

Mr. Benjamin: You can get up later, cool your brains off and take part in this debate.

Mr. Knowles (Winnipeg North Centre): The hon. member is not in his own seat.

Mr. Benjamin: He is *on* his own seat but not *in* it. That is what you call a confused Liberal.

There is another little point I would like to make to the Minister of Agriculture who says he is a friend of the farmer. As my colleague, the hon. member for Brant (Mr. Blackburn) said this afternoon, if we could have at least one speech a week from the minister which is as good as the ones he delivers to the rose growers of Grasshopper Flat, or some other such group, that would be fine because he speaks very well, he sounds great. He speaks about his support of orderly marketing, and I believe him. If anything, I think this Minister of Agriculture is sincere and genuine about orderly marketing, which makes him something of a misfit in a free enterprise party, be it Liberal or Tory. In any event, he is stuck with that; that is his problem.

In his unquestioning support for the Canadian Wheat Board he has included an item in this legislation, if you would care to note, whereby oats and barley produced in the designated area under the Canadian Wheat Board but not marketed through the Wheat Board are expressly mentioned in the legislation as eligible for designation as a product under this legislation.

Let me say, just in case the Minister of Agriculture has not thought of this, that this is nothing more than reinforcing the removal of feed oats and barley from the jurisdiction of the Canadian Wheat Board and placing them on the open market, because when the open market fails on feed grains, the cowboys will still be able to get cheap barley, and then the Minister of Agriculture will include oats and barley not sold through the Canadian Wheat Board under the stabilization legislation. What he will be doing in effect is to reinforce an outmoded, discredited, disgraced open market system of marketing grains in order to save the reputation, whatever it amounts to, of the minister in charge of the Canadian Wheat Board.

If the Minister of Agriculture wants to prove how sincere and strong he is in support of orderly marketing and of the Canadian Wheat Board, let him amend his own legislation to take out the provision that will include oats and barley sold on the open market and raised in the Canadian Wheat Board area because that amounts to nothing more than an additional reduction in the strength, power and jurisdiction of the Canadian Wheat Board. It also weakens the whole principle of orderly marketing. I hope the minister will think about that, if he has not done so already.

I submit that this bill is inadequate. It does not go far enough so far as we in the NDP are concerned, and so far as at least two farm organizations are concerned. There is no guarantee that the proposed amendments to the legislation—and that is all this bill is—will bring much if any improvement to what is already in the act. Of course, the minister added some new products, such as beef, and I am glad to see that. That ought to create a stir in the Canadian Cattlemen's Association, if nothing else. But I have to see it to believe that it will bring much if any improvement, because the minister already has the authority of the legislation now but has chosen not to use it. It is just a way of prolonging the agony and giving lip service to both orderly marketing and orderly stabilized income and at the same time trying to maintain what is supposed to be a free and open system for marketing agricultural products.

I am sorry to say that the minister is trying to follow the example of so many of his colleagues, trying to be half pregnant. There is no such thing.

With regard to the mandatory support level of 90 per cent in a five year average price, the first thing I would like to suggest to the minister is that if the 90 per cent proposed in this legislation is good for the farmers, would he tell the President of the Treasury Board (Mr. Chrétien), the Minister of Finance (Mr. Turner), the Minister of Labour (Mr. Munro), and any other of his colleagues in the cabinet, that all the workers in the public service want is 90 per cent of what is being paid to private enterprise? I think it would be very pertinent, since if, it is appropriate in this legislation to tell the President of the Treasury Board, and those other idiots on the Treasury Board who do not know how to bargain collectively, that if 90 per cent is appropriate in the agricultural stabilization legislation and the grain stabilization legislation, it should be good also for the runway cleaners and other lowest paid members of the public service.

I hope the Minister of Agriculture, who has this principle enshrined in this legislation, will now persuade his cabinet colleagues to agree to granting 90 per cent of what is paid to private enterprise to the lowest paid sections of the public service, and then we will have our airports and grain terminals operating within 24 hours.

● (2140)

That is all it would take. By the way, while the government is worried about the 90 per cent of the five year average for agricultural prices—

Mr. Whelan: you wouldn't accept the pay raises for members.

Mr. Benjamin: I will accept whatever this parliament votes I should receive, and I expect that the minister will do the same. Neither he nor I will decide whether we are worth it. Other people will decide that.

Mr. Knowles (Winnipeg North Centre): Agreed?

Mr. Whelan: I agree with that.

Mr. Guay (St. Boniface): You'd do better sitting down, Les.

Mr. Benjamin: Anything the hon. member for St. Boniface (Mr. Guay) takes, I am going to take, because I am convinced, in my usual shy manner, that I am as good as or a better member of parliament than he will ever be.

Some hon. Members: Oh, oh!

M. Benjamin: Madam Speaker, I am sorry that I am out of order on the topic, but Your Honour will appreciate that my hon. friends opposite lead me astray. I want to apologize. I have an ailment called preacher's throat. It happens to preachers and politicians. My doctor says that the only sure cure for this is to keep my big mouth shut for three weeks.

Some hon. Members: Hear, hear!

Mr. Benjamin: A politician losing his voice is like a pianist losing his fingers. I am sorry that I am subjecting my hon. friends to this speech, which is not nearly voluminous enough. By that I mean in decibels, not length.

If I may return to the matter of the 90 per cent, I would ask the minister and his cabinet colleagues to consider that the lowest paid public servants are asking for 90 per cent of what other people get, which is good enough, apparently, for farmers. I do not know why 100 per cent should not be good enough for farmers. However, that is the minister's legislation. If he can apply that to farmers, he can apply it to the lowest paid sector of the public service.

Would the minister at the same time ask his Cabinet colleagues to agree that this matter of restraint, which the Minister of Finance wants, and the matter of controls which the Leader of the Opposition (Mr. Stanfield) wants, should first be applied to deputy ministers and assistant deputy ministers, those who received $8,000 and $10,000 per year increases, which is more than the runway sweepers receive and which is more than many farmers receive

for a whole year? If this restraint were applied first at the top the minister would be surprised how willingly lower paid people would co-operate, including farmers. But does the minister want them to be willing to agree that 90 per cent of the five year average is good enough? If the minister will apply that principle to the deputy ministers and the assistant deputy ministers, and even to members of parliament, he would be surprised at the amount of co-operation he would get from farmers and runway cleaners.

I have used up my time, Madam Speaker, and the hon. member for Medicine Hat (Mr. Hargrave) has some remarks to make about cowboys in response to mine, I hope. He is a gentleman whom, amongst all the cowboys I know, I like best of all. There is nothing personal in my remark about cowboys.

I want to say, as my hon. colleagues have said, that the legislation is inadequate. We will have more to say on it on other days.

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, I want to say to the hon. member from Saskatchewan that he took me back a few years to when we both did a little cowboying at Walsh. I thank him for reminding me of it.

In my contribution to this very important debate which will determine just what amendments are to be made to the Agricultural Stabilization Act of 1957 and 1958, I want to make a few general comments on the new bill and then follow with some very specific comments on how this act and the proposed amendments apply to the total Canadian cattle industry.

At first glance this bill seems fairly straighforward and might be construed to be merely an updating of the 17 year old act to make allowances for inflation and rapidly rising costs of production in the total agricultural sector in Canada.

I have no great quarrel with the proposals to change the averaging period from 10 to five years, and the increase to 90 per cent from 80 per cent in determining the base price over this averaging period. But because of some very erratic farm prices throughout all of 1973 and the first quarter of 1974, I suggest that there may have to be some shortening of this five year period. In the five year period 1970 through 1974 inclusive there have been about three and a half years of market prices which could be described as moderately increasing farm product prices. This was followed by a year to a year and a half of very sharply increased farm prices in most commodities, including cattle. I suggest that during the same five year period agricultural production costs increased at a much faster rate than did our market prices at the farm gate.

Under clause 3 of the bill, referring to section 8.2(1) of the act, some provision for this serious concern is indeed provided, but it is not clearly spelled out. The bill reads in part, and I quote:

> . . . the Governor in Council may prescribe, of the base price thereof for the year by an index calculated in such a manner as may be prescribed by the Governor in Council to reflect the estimated production costs of the commodity in the year as compared with the average of production costs for the five years immediately preceding the year . . .

I ask the question, does an "index of production costs" refer specifically to the CDA's official farm input price index? If it does then the cattle industry would be short changed because its farm costs, notably feed grains and feed supplements, have risen faster than most other farm costs during this 1970-74 period. What does the term "may reflect" really mean as used in this proposed section from which I quoted? Does it mean may reflect 25 per cent, 50 per cent, or 100 per cent? And does this reference really pinpoint the fact that index of production costs should refer specifically to the commodity in question by name, no matter whether the commodity in question is a named commodity or a designated commodity?

These items must be clearly spelled out. It seems obvious to me that Bill C-50 leaves far too many details and specifics to be determined by regulation. Another example, under the part dealing with other powers, states:

> For the purpose of stabilizing the price of an agricultural commodity, the Board may exercise such other powers as are prescribed by the Governor in Council for that purpose.

Does the phrase "such other powers", for example, mean the supply management route for the cattle industry? If this could be inferred, I wish to state most emphatically that a marketing board for the Canadian cattle industry with supply management powers is not the answer to our cattle industry's very serious difficulties, and in fact crisis, today.

Now I wish to relate my comments perhaps more specifically to the cattle industry. We already have two support price policies recently announced by the Minister of Agriculture (Mr. Whelan) which relate only to our Canadian cattle industry. Last August 11 the fed cattle—that is, fat steers and heifers—support price of $45.42 was instituted, and if deficiency payments are made when the year is up next August, I presume they will be paid under the provisions of the original act. It is important to understand that this price of $45.42 for grades A, B and C was determined by taking 90 per cent of the average weighted price for these three fat cattle grades at the three principal markets in Calgary, Winnipeg and Toronto, and adding to it a cost of production index figure as determined by the Farm Input Price Index. I have been informed that this cost index item amounted to some 154 per cent of the five year average market price for fed cattle.

The beef cow subsidy or support policy of $23.21 effective last November 16 is 100 per cent of the weighted average price of the D1, D2, D3, and D4 cows over the last five years at the same three principal cattle markets, but without an indexing figure. Possibly there was no indexing figure because this cow support policy will only last until April 30. In both of those government support price policies the critical circumstances of both cow-calf and the feed lot side of the industry were not recognized. This was primarily because the five year period was too long to account properly for the erratic market swings and the escalating farm production costs.

● (2150)

In today's price and cost terms, what I am saying is that a $45.42 per cwt. floor price is small comfort to a feeder whose costs of grain are still 55 cents to 60 cents per pound. On March 1 the estimated actual weighted average fed cattle price, according to my information, was about $46. This means, of course, that unless the fed cattle

market slumps another $2 or $3 over the next five months, no deficiency payment may be made. In my opinion the Canadian fed cattle market has now bottomed out, and in fact has shown some recovery of a dollar or two in the west and perhaps not as much in Ontario, but it does appear that better markets are ahead of us for fat cattle at least. This will further lessen the probability of deficiency payments being made.

With respect to the cow support policy, it seems highly probable that there will indeed be payments made for those eligible. I most certainly agree with the hon. member for Crowfoot (Mr. Horner) who suggested that the fed cattle support policy should be on a quarterly or half yearly basis. I must say I prefer the quarterly basis.

Surely, Madam Speaker, the time has come for governments and cattle producers to face up to, and recognize the real problems in Canada's beef cattle industry and, for that matter, in the American cattle industry as well. In my estimation we simply have too many cows and, as a result, too many feeder cattle. That means, of course, too many calves about to be born this spring. Since 1969 beef cow numbers have increased some 43 per cent, and are still increasing. The new calf crop could be up another 2 per cent over last spring. For the same period the United States has seen its cow numbers increase by 22 per cent.

The reasons for this surplus cow situation are now reasonably well understood. They are not peculiar to Canada or North America, but are global and relate to unusual weather patterns and a switch from the cheap food era to the present era of rapidly increasing food costs. This global switch started about seven years ago and during this seven year interval we made some wrong assumptions. By we I mean farmers, cattlemen, consumers, and most of all, governments. We thought that, because live cattle prices and retail beef prices were rising rapidly over most of the world, there must be a shortage of cattle, especially on this continent.

We completely ignored or forgot to make allowances for three significant factors. First was worldwide inflation; second, devaluation and realignment of some of the major world currencies, and third, the fantastic impact on a global basis of the energy crisis and the resulting balance of payments problems. We really were not short of cattle supplies but we thought we were, and governments must accept a great deal of blame for this error in judgment.

In simple terms we have about a quarter million surplus cows in Canada at present. We need to market about 900,000 cows this year if we are to stop the growth of the national cow herd. Last year we only marketed slightly over 600,000, and that was less than in 1973. In sharp contrast, however, the United States has turned the corner in its cow cycle. Its cow marketing for 1974 was up by some 20 per cent over 1973. That is the reverse of our situation. For that reason the United States will resolve its cow numbers problem quicker than we in Canada.

I want to make a quick comment on the minister's $10 million canned cow beef for foreign aid program which was announced last December 13. I suggest it was a good policy, unique in many respects—perhaps it was even a first—because it proposed to provide a national incentive to reduce our cow numbers and at the same time help the third world needy countries. It was a most welcome suggestion but it was much too late—four months too late. It should have been under way last September and have operated all fall at the period of our lowest cow prices throughout the year. It has not helped our cow market at all. This is evident since the deputy minister testified a week ago in the standing committee that to date only sample lots have been canned, and no commercial canning has started although all tenders have been accepted. Perhaps the minister might give serious consideration to a continuation of this policy that would start next September 1.

Earlier, Madam Speaker, I made a comment about supply management and our cattle industry. The alternative to a supply management route for beef cattle must surely be to make our North American market system work as we all know it can work. This means that our border problems involving unequal quotas must be resolved, and soon. At this moment there are over 30,000 more feeder cattle in western Canada than there were last year. We have a total of some 300,000, and that is a record for feeder cattle at this time of the year. Due to extreme soil moisture deficiencies all across the southern prairies the prospects for grass are very poor. In most cases grass reserves, what are left after our mild and open winter, and what new grass we get, will be needed for our cow herds.

Our cattle industry should understand fully the consequences of keeping all these feeder cattle in Canada in the face of empty feed lots—that are not going to be filled for obvious economic reasons—and the lack of summer grazing. Are we going to export feeder cattle or are we going to eat the fat cattle here, later on? If the decision is to eat the fat cattle here, then we had better be prepared to accept prices considerably below the United States level for the next two to three years. The only country in the world that can afford to buy our cattle at North American market levels is the United States.

I say again, Madam Speaker, it is time we resolved our quota problems at the border. Only last week the press reported that the Department of Industry, Trade and Commerce proposed a meeting with United States trade officials. One of Mr. Butz's assistant secretaries has indicated that they would be pleased to see the quotas ended even if the situation may soon reverse, with Canada's producers anxious to sell their cattle in a higher priced American market.

The Acting Speaker (Mrs. Morin): Order, please.

An hon. Member: Let him finish.

Some hon. Members: Continue.

The Acting Speaker (Mrs. Morin): Is there agreement that the hon. member should finish his remarks?

Some hon. Members: Agreed.

Mr. Hargrave: Thank you, Madam Speaker. In conclusion, I say very seriously that I have considerable feeling for the position the government finds itself in with respect to our cattle industry. If the government uses the provisions of this act to support cattle prices at too high a level, it will only prolong the period of downward adjustment

for our cattle numbers. It will merely push the numbers problem ahead of us.

● (2200)

Our total cattle industry cannot be fragmented by a variety of provincial cattle policies and still operate under a North American market concept. We have been in severe trouble because of U.S.A. policies and actions, but in the final analysis we cannot operate without them.

Mr. Benjamin: Ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

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

IMMIGRATION—ALLEGED RCMP INVESTIGATION INTO RACIAL TROUBLE IN BRITISH COLUMBIA—POSSIBILITY OF INTENSIFIED PROGRAM OF DEPORTING ILLEGAL ENTRANTS

Mr. Benno Friesen (Surrey-White Rock): Madam Speaker, yesterday I pointed out to the Minister of Manpower and Immigration (Mr. Andras) that Australia, because of its 6 per cent unemployment, has intensified its program to deport aliens who are in that country illegally. It seems to me that that government is acting on a simple principle—When you have a law, it must be enforced. To do anything else makes a mockery of our entire legal system. Laws of this kind are made to control those who have least respect for the rights of others. Inherent in that fact lies the probability that the people who make those laws necessary are the very people who are most likely to violate them.

I also recognize that our democratic way of life depends on a large reservoir of trust, that most people are in fact law-abiding citizens; but it is the law-abiding people who suffer most at the hands of those individuals who have lost all conscience regarding responsibilities.

Whenever we have laws that lose their meaning because of ineffectual and half-hearted enforcement, we erode the standards by which our citizens guide their conduct. All of us need reference points for our lives. There are times when we face decisions for which we may or may not have a ready answer, regardless of how intent we are on doing right. The law becomes the reference point for our behaviour and gives us the opportunity for moral and psychological rest and equilibrium, as opposed to tension and distress. In short, the law helps us to decide. That is true only if the law is dependable, clear and enforced. But when the government declares a law, then backs off, does not enforce it, does not take it seriously, it places citizens in an impossible situation, a situation of indecision and tension.

If the government declares a law but does not provide for meaningful enforcement or penalties, it declares loudly

that it does not take its own laws seriously. And this is where we find ourselves today.

The amnesty program the government conducted 18 months ago was a clear admission that the government had allowed aliens to flout our laws. The fact that there are still thousands of aliens in our country illegally shows that the government still has not moved in with the muscle that is needed. The immigration officers on duty at our borders are doing yeoman's service, but they are not getting the kind of support they deserve.

The point is that aliens here illegally either take jobs away from the legitimate working force or else are a drain on the social services of our country. Because they are here illegally it is impossible to determine exactly how many of them there are in this country. This fact underscores the need for the government to design more effective machinery for tracing aliens in Canada.

Let me illustrate how they drain the tax dollars allocated to social services. The Toronto *Star* of February 6, 1975, carries a story about a Guyanese immigrant awaiting deportation, by the name of Chunilall Misir. According to the Toronto *Star,* the Immigration Department reckons the total cost of keeping Misir here, without medical bills, is around $11,000. In addition he was hospitalized because he had tried to escape custody; he broke his hip and his heel and there are large hospital bills beside the $11,000 bill already incurred.

Then there are those parasites who find ways to get welfare benefits, UIC payments and government grants. Once an individual decides to remain in a country illegally he decides, in effect, to become a law breaker. From that point it becomes increasingly easy for him to violate other legal and ethical boundaries.

This brings me to my third and final point, which is that illegal aliens more easily become a destructive element in our society. As I have pointed out, they already see themselves as violators of the law. This in itself restricts the number of legal avenues open to them. It therefore becomes all too easy for them to drift into a life of furtive relationships and questionable living patterns. I am by no means suggesting that all those who find themselves in this predicament are living in constant violation of other laws, but I am saying that their situation leads all too easily to this kind of lifestyle.

For these three main reasons I should like to cajole the minister until he is ready to beef up the border patrol, speed up the process of hearings and, in short, deal emphatically with this issue so that people may once again believe that Canadian laws mean what they say. I welcome the green paper and the opportunity it provides the Canadian people to contribute to the legislative process, but in the final analysis it matters not how good a policy emerges from these discussions or how good the laws may be if the government lacks the resolve to enforce its legislation.

The Acting Speaker (Mrs. Morin): I am sorry to interrupt the hon. member but the time allotted to him has expired.

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker,

when the minister replied to the hon. member for Surrey-White Rock (Mr. Friesen) on this matter on March 5 in the House he said he was unaware of any RCMP investigation into racial trouble in lower mainland British Columbia, and also that the Department of Manpower and Immigration takes the necessary enforcement action when persons illegally in Canada come to its attention. There is very little to be added from the point of view of our immigration law enforcement.

As has been said many times, the department does not conduct witch hunts or similar exercises—a tactic which would be repugnant to the Canadian way of life. When persons enter Canada illegally or when, having entered legally, they remain beyond their allotted time, either through our own enforcement capability or because of our very close liaison with law enforcement agencies at all levels, adequate means exist within immigration legislation to deal quickly and effectively with the situation.

HEALTH—INQUIRY AS TO STANDARDS FOR ASBESTOS FIBRES IN AIR—CONDITIONS AT CLINTON CREEK MINE IN YUKON

Mr. Stuart Leggatt (New Westminster): Madam Speaker, I rise pursuant to a question I asked in the House the other day concerning the dangers posed by asbestos, particularly in a Canadian mine over which the Canadian government has sole jurisdiction, namely, the Clinton Creek mine in the Yukon Territory.

To understand this situation one has to look at what is happening at the Thetford Mine in Quebec where it has been found that 61 per cent of 1,200 miners are suffering from lung abnormalities, including two types of cancer and a condition called asbestosis, which ultimately leads to death.

It is interesting to note that in this case the waste asbestos products have been blowing in the air and across the border. The environmental protection agency of the United States found it to be too much for them in Maine, yet the government of Quebec seemed to be quite happy to allow this condition to continue. I recognize that provincial jurisdiction is involved here and I am not charging the federal government with any particular neglect in this area; but I think we now have to concentrate upon those matters that are within federal jurisdiction, since more and more evidence has come to light about the connection between lung cancer, chest cancer, cancer of the larynx and asbestosis.

● (2210)

My information is that in June, 1974, asbestos counts were taken at the Clinton Creek mine in the Yukon. Out of 133 counts, 19 proved to be significantly above the level of five fibres per cubic centimetre. To appreciate the significance of that, Britain's standard is two fibres per cubic centimetre. In the United States it is five fibres per cubic centimetre. Both England and the United States are about to reduce their standards.

Dr. Carneau, one of the acknowledged experts in this whole question of carcinogens, in respect to asbestos has found that .001 is the only safe level. He is from the University of Illinois, and he was recently funded with a $3.5 million grant. No place in this country now has a level that satisfies Dr. Carneau, yet we have increasing evidence that cancers are developing.

The difficulty is that these cancers do not develop for many years. We have some cases of people being exposed to asbestos for as short a period as four months and developing lung cancer 35 years later. In the Clinton Creek mine, studies since June of 1974 have been in the hands of the minister's department, and what I want to find out is whether he has made any studies of the miners concerned. Have we checked into the number of compensation claims that have been made as a result of this situation and which are under our sole jurisdiction?

The minister's answer, which I submit is a complete red herring, was: "Well, all we have to do is pass the environmental protection act in this House and we can go right ahead and fix it up." He had better look at the environmental protection act, which does contain certain provisions; but we have already passed a law in this parliament which is known as the Clear Air Act, which I recall my friends in the Liberal party were quite successful in promoting in my riding as a very progressive approach to environmental hazards.

I should now like to quote from "Environment and the Law", a publication of Environment Canada:

> The Clear Air Act gives the federal government authority to set national air quality objectives and national emission standards where there is a significant danger to health—

In other words, the jurisdiction and authority to act are clearly within that law now. What I am asking the minister and his charming parliamentary secretary to do is to pass immediately regulations under the Clear Air Act setting minimum enforceable asbestos standards right across the country so that we can start protecting thousands and thousands of miners who work under increasingly hazardous conditions. Why I say the hazards are increasing is that the longer we wait, the worse the problem becomes. The more scientific data we accumulate, the more hazards apparently we are exposing our miners to, Madam Speaker.

On the question of jurisdiction, it is clear that we have sole jurisdiction both in the Northwest Territories and the Yukon through the Department of Indian Affairs and Northern Development. We have the clear right to pass regulations now; we do not have to wait for the House to pass the environmental protection act at all. It is not good enough for the minister to come to this House and to say: "Well, you fellows in the opposition are again blocking progress; we can protect these miners if we pass the bill". I say that is a complete cop-out, and I really did expect something better from a minister who has a very good reputation in this House, one I respect a great deal as a result of some of the legislation he has promoted.

What I am asking is for some leadership at the federal level. Admittedly there are problems in Quebec and Ontario in terms of enforcement and getting decent standards. But if we provide leadership at the federal level and put forward enforceable asbestos fibre standards right across the country, then we are going to save some lives. This is a pretty important matter. We may save a few lives of people who have been exposed and who will continue to be exposed to this terrible hazard.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, a group from the Bureau of Health Hazards and an environmental engineer from the Department of Indian Affairs and Northern Development undertook a survey at Clinton Creek in June, 1974.

The purpose of this survey was to determine the concentration of asbestos fibres in the air at the mine, mill and townsite. Following the on-site survey, several months have been necessary to check on instrument calibrations and to calculate the results. A detailed report is expected to be sent to the Department of Indian Affairs and Northern Development within the next 10 days.

As a result of recent health findings among asbestos workers the department will recommend that workers should not be exposed to average concentrations of asbestos in the air in excess of two fibres per millimetre. This level is identical to that adopted for occupational situations in the United Kingdom and Sweden recently, and is the same as that presently proposed in the United States. This recommendation is in accord with interim target concentration for the prevention of risk to the health of asbestos workers recommended by the International Labour Organization.

Although many of the levels found in the survey at Clinton Creek exceeded this recommended level, modifications in housekeeping and operational methods as well as improvement in the application of local exhaust ventilation systems are expected to reduce the airborne concentrations of asbestos to the desired level.

Mr. Leggatt: Read faster.

Miss Campbell (South Western Nova): It should be borne in mind that the levels we have found in the survey are not grossly in excess of the very stringent standard the department is now recommending, and that the average levels we have found in the air at the mines at Clinton Creek are generally below those that we would have considered acceptable even a few months ago.

There are presently no enforceable federal standards with regard to the presence of asbestos fibres in the air of mines and factories. The recommendations from the department to reduce the airborne concentration of asbestos at Clinton Creek can be the basis for further action by the territorial government.

We do not anticipate any problems from airborne asbestos at the townsite at Clinton Creek where the values found in the survey were between zero and 0.04 fibres per millimetre. The Clean Air Act provides a mechanism whereby pollution of the air at the townsite could be controlled if this were necessary. The environmental contaminants bill presently before the House would provide the authority to enable any necessary measures to be taken to protect the health of the public from the release of substances such as asbestos that contaminate the environment.

In reply to the question of the hon. member for New Westminster (Mr. Leggatt), the figures quoted in the question would seem to refer to the raw data from which time-weighted averages were calculated. The recommended level which I referred to earlier is a time-weighted average based on eight hours' exposure.

Mr. Knowles (Winnipeg North Centre): Faster.

Miss Campbell (South Western Nova): During the working day it is normal for point samples to vary considerably above and below the time-weighted average value. As soon as the survey is completed the department will initiate any further studies on the health status of the miners that are required.

POST OFFICE—POSSIBLE REMOVAL OF PICTURE OF QUEEN FROM PRESTAMPED ENVELOPES

Mr. Stan Schumacher (Palliser): Madam Speaker, I am rising tonight with a double feeling of regret—regret at the action of the government, and regret at the less than complete answer afforded me in the House by the Postmaster General (Mr. Mackasey) a couple of weeks ago when I raised this matter.

The monarchy stands at the cornerstone of our life as a dominion and as a free people. Like millions of Canadians I believe that the symbols of the Crown must be kept permanently before our people, both to remind us of our heritage and to warn us against the loss of that liberty and dignity with which the monarchy provides us.

Accordingly I am at a loss to know why the post office has decided that its eight-cent pre stamped envelopes will no longer bear the portrait of Her Majesty, but instead some modern design. The feeble excuse given is that the new design is philatelically superior and much harder to counterfeit. I ask, who in the world would want to counterfeit it?

Bluntly, this is but the latest in a long line of petty insults to the Crown, over which Canadians seemingly have no control, for which the government has no mandate and by which, I believe, the pointy-headed bureaucrats in the public service are steadily eroding the monarchy position in this country. I have no objection at all if the post office wishes to introduce several varieties of stamped envelopes, and for all I care one might even bear the portrait of the Postmaster General.

● (2220)

The point is, however, that the standard definitive of our Gracious Queen should always be available on stamped envelopes for those Canadians who wish to purchase them, for those Canadians who are proud, and indeed who request specifically such envelopes and stamps as their recognition of the Queen as the emblem of our citizenship and the torch of our freedom.

The Postmaster General answered my question in the House on February 19 in a flippant way. He did not seem to want to admit the change was in the works. This is characteristic of the less than straightforward attitude of the government. Since then my friends in the Monarchist League of Canada tell me they have been inundated with inquiries as to why—Why this action—Why this change carried forward by a government which professes devotion to the Crown on one hand and does its best to remove the Crown from public conscience on the other? What does

this step accomplish? Why can Canadians no longer buy prestamped envelopes bearing the image of our Queen?

I challenge the minister to back up the government's words with actions. It is not enough to say the stamped envelopes bearing Her Majesty's protrait were available and may just be available again. I beg with him tonight to please millions of Canadians, and to affirm the government's loyalty to our Sovereign, by announcing that the prestamped envelopes bearing the portrait of Her Majesty will continue to be available, along with any other varieties as the department may see fit to print.

If such action is not taken, Mr. Speaker, loyal monarchists across the country will be excused if they feel that the government has betrayed them, and wonder once again about the forces of republicanism in the public service, forces which represent no one except themselves, no policy except destruction of cherished symbols, and no thought except for so-called progress toward anarchy.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker,—

An hon. Member: Madam Speaker.

Mr. Mackasey: I apologize, Madam Speaker. I am rarely on my feet in the House. I listened to the remarks of the hon. member with a great deal of attention. The new prestamped envelope, as he knows, is to be reproduced by lithography in two colours in order to prevent counterfeiting. So far we have been unable by this particular method to come up with a decent reproduction of the Queen of which we could be proud. We have been experimenting with it, and it is conceivable that once we have perfected it to the degree that it satisfies the quality we think should exemplify the Queen's picture then we would make sure that these are available.

What I object to is that the hon. gentleman seems to feel that loyalty to Her Majesty the Queen is synonomous with the amount of pictures made available across Canada to the satisfaction of the Monarchist League. I have no apology to make to the hon. gentleman pertaining to the great lady whom I have met on several occasions.

I do not think one can measure a person's allegiance to the Queen, or to symbols, or to the House of Commons, or to other traditions which keep this country together simply by preprinted envelopes. I think the moment of truth comes by other means. The fact of the matter is that if I or the government could be accused of playing politics by removing the Queen's picture from the envelope, then the charge would be equally valid against the hon. gentleman who conceivably could be not necessarily expressing his loyalty to the Queen but catering to the members of the monarchist group for political reasons. I think he will have to have enough confidence in the government and the people who are members of the government, including the Postmaster General, and appreciate that we have as much respect and admiration for and loyalty to Her Majesty the Queen of Canada as he has.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Friday, March 7, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-10, an act to amend the Feeds Act, to which the concurrence of this House is desired.

* * *

[*English*]

ENERGY

TABLING OF REPORT ON URANIUM ENRICHMENT, DATED SEPTEMBER 3, 1971

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table copies in both official languages of a September 3, 1971, report on uranium enrichment.

* * *

CANADA LABOUR CODE

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

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43, regarding the continuing problems with the Seafarers' International Union. In view of a response of the Parliamentary Secretary to the Minister of Labour (Mr. MacGuigan) on December 19 and the Minister of Labour (Mr. Munro) on December 16, 1974, that the Minister of Labour was prepared to consider amendments to the Canada Labour Code in respect of any matters prejudicial to union members which could give the men protection, I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That Part V of the Canada Labour Code be immediately referred to the appropriate parliamentary committee so that recommendations may be forthcoming to better protect members of unions who are being abused by their own executive as appears to be the continuing situation with regard to the SIU.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

SUGGESTED REVELATION OF WAGE OFFER TO GRAIN WEIGHERS AND SAMPLERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion on a matter of urgent and pressing necessity.

In view of the Canadian Wheat Board's decision to discontinue movements of grain from country elevators as of today, and the serious repercussions of that decision on western producers and the Canadian economy generally, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House instruct the President of the Treasury Board to make a statement on motions later this day, explaining the exact nature of the government's offer to the grain weighers and samplers—part of the general labour and trades group—and the prospect for an immediate resumption of negotiations.

Mr. Speaker: The motion proposed pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1110)

[*Translation*]

HOUSING

SUGGESTED REDUCTION OF PERIOD OF ELIGIBILITY FOR $500 BONUS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, under the terms of Standing Order 43, I request unanimous consent of the House to bring up an important and very urgent matter.

It deals with the $500 bonus to first-time home buyers. This matter is very pressing because the bonus will apply for only 12 months and we are already in the fifth, and

also because it affects 90 per cent of new owners of mobile homes located on rented lots. As Central Mortgage and Housing Corporation requires that new owners have a five-year lease on their rented lot, as indicated in the letter I received on February 17, 1975, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the House ask the Minister of State for Urban Affairs to take steps immediately to allow the eligibility for this bonus of owners without leases on rented lots or, at least of those who have leases, by reducing the five-year requirement to one year.

Mr. Speaker: The House has heard the motion of the hon. member. Under the terms of Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

CRIMINAL CODE

PETITION WITH RESPECT TO PROVISIONS CONCERNING ABORTION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I have the honour to present a petition with regard to abortion signed by about 2,000 constituents of mine in which they humbly pray that your honourable House may take such steps as may be expedient in order to provide that the relevant provisions of the criminal law shall be interpreted in a manner which is consistent and with the will of Parliament as set out in Chapter 38 of the Statutes of Canada 1968-69.

* * *

WEIGHTS AND MEASURES

SUGGESTED ESTABLISHMENT OF REGIONAL METRIC COMMISSION OFFICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave under Standing Order 43 to present a motion which asks that consideration be given to a matter which I believe is reasonable. I even believe that the government is prepared to give consideration to it. I hope there will not be the usual Pavlovian response.

I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House asks the Minister of Industry, Trade and Commerce to give consideration to the establishing of Metric Commission regional or provincial offices at various centres across Canada to facilitate the handling of inquiries respecting metric conversion.

Mr. Speaker: Order, please. This motion proposed under Standing Order 43 cannot be debated without the unanimous consent of the House. Is there unanimous consent?

[Mr. Gauthier (Roberval).]

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CONSUMER AFFAIRS

SUGGESTED SUBSIDY TO CONSUMERS OF CERTAIN FOOD PRODUCTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House for the consideration of a matter of urgent and pressing necessity.

Since cold stores now contain incredible stocks of unsold turkeys and that as of February 1, 1975, they had more than 10,300,000 pounds of turkey while normal inventory is five million pounds and since consumption of those products has fallen because people cannot afford to buy them, I move, seconded by the hon. member for Kamouraska (Mr. Dionne):

That the House consider the possibility of subsidizing consumption of food products such as turkey, fish, chicken, through a consumer compensated discount whose main effect will be to bring those prices more within the reach of all.

Mr. Speaker: Order. The House has heard the hon. member's motion. Under the provisions of Standing Order 43, the motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

STRIKE OF GENERAL LABOUR AND TRADES GROUP—GOVERNMENT ACTION TO MAINTAIN ESSENTIAL SERVICES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the President of the Treasury Board. I understand that the talks have resumed with the GTL union, and that is encouraging, but I would like to ask the minister, in view of the fact that the services designated as essential to the safety and security of the public are not being maintained, in violation of the law, what he is doing to avoid a tragedy that might occur any day as the result of services designated as essential to the safety and security of the public being illegally withdrawn?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, when public servants holding positions designated as essential do not report to work and are on strike, they are violating the law. We are collecting data to submit as evidence and we have decided to prosecute in each case. Evidently, the directors of the programs involved will take the necessary steps to maintain security and if there is no staff, they will take the necessary decisions to protect the public.

[*English*]

Mr. Stanfield: May I ask the President of the Treasury Board whether his assertions about taking measures to examine cases in which these services are withdrawn is not in fact all talk, and that he is doing nothing effective to ensure that essential services are maintained? Granted that this parliament has given the right to strike, is it not equally the law of this land that services designated as essential to the safety and security of the public be maintained, and has the minister any measure to put forward in this regard which is not totally ineffective?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we cannot compel public servants to come back to work. The departments concerned will take the necessary steps to assure public security. All departments have let us know that they have occasionally suspended some services because they did not have full staff. As for us, we are taking all legal proceedings at our disposal to penalize the individuals who have been violating the law. As I said, in no circumstance will we withdraw the proceedings lodged before the courts, because we feel that all civil servants must obey the law.

[*English*]

STRIKE OF GENERAL LABOUR AND TRADES GROUP—REQUEST FOR GOVERNMENT ACTION TO SETTLE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. With the grain shipments in the country being blocked, the postal service in virtual chaos and the law of this parliament sponsored by this government being broken with impunity to the danger of the public, will the Acting Prime Minister as head of this government do more than simply reaffirm the faith of the government in collective bargaining will he start governing this country, or is he prepared to sit back and watch the country drift into chaos?

Some hon. Members: Hear, hear!

● (1120)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, my colleague the President of the Treasury Board has given every assurance that the law of this country will be enforced. It is the law of this country that people do have the right to strike. It is the law of the country that certain designated employees who are essential to public safety and security should work. My colleague the President of the Treasury Board is saying that he is accumulating evidence. There are procedures provided in the law for dealing with such cases. He is following those procedures, and I do not think that he can go any further than to enforce the law itself. It may be that this parliament will want to reverse itself and deprive strikers of the right to strike, but that is a decision for which we would have to take responsibility if the time comes for that action. In the meantime, I believe that we should support the law as it now stands.

STRIKE OF GENERAL LABOUR AND TRADES GROUP—APPLICATION TO STAFF RELATIONS BOARD FOR CONSENT TO PROSECUTE THOSE WHO STRIKE ILLEGALLY

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I will direct my first supplementary to the President of the Treasury Board and ask him if, in connection with the investigation and the accumulation of evidence with respect to illegal activity in the present difficulty, he has as yet made an application to the Staff Relations Board for consent to prosecute where there is clear evidence of illegality.

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, as soon as the evidence is provided to my ministry by the different departments, we will proceed to go before the board to get permission to prosecute under the law, as members of parliament have written it. I am very surprised that at one minute hon. members tell me that I am too tough and the minute after they tell me that I am not tough enough. Since the first day I have been consistent. Everyone who is acting illegally will be prosecuted, and there will be no withdrawal of any cases to buy peace. If it is the wish of this parliament to change the system and any hon. member is so bright, their ideas can be brought before the joint committee of the House of Commons and the Senate studying the Finkelman Report.

STRIKE OF GENERAL LABOUR AND TRADES GROUP—REQUEST FOR ASSURANCE NO INTERVENTION BY MEMBERS OF ARMED FORCES IN LEGAL STRIKE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, the question is not whether this parliament has given certain rights with respect to the collective bargaining process. That is not the question in front of us at all. The minister should not try to dilute a very serious issue with his offhand, casual remarks.

My supplementary question is directed to the Minister of National Defence, and I hope that the President of the Treasury Board pays some attention to it because part of our difficulty arises out of this. Can the Minister of National Defence and his colleague assure us that they have taken steps to reinforce earlier instructions to base commanders at Canadian armed forces bases across Canada to prevent members of the Canadian armed forces from undertaking work activities normally carried out by employees who are legally out on strike. Shutdown of service is occurring not only with defence; I think all hon. members realize in other areas of public service total shutdown of service has come about.

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker. I can give the assurance that the Canadian armed forces will be used only to maintain

essential services. In the case of illegal strike activity, the forces will only become involved in carrying on those essential services. They will not be involved in strike-breaking. They will not be involved in interfering in any case where the personnel concerned are legally on strike.

STRIKE OF GENERAL LABOUR AND TRADES GROUP—REQUEST FOR ASSURANCE OTHER GOVERNMENT EMPLOYEES WILL NOT INTERVENE IN LEGAL STRIKE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, a final supplementary. Can we have some assurance from the Acting Prime Minister that where similar situations prevail, employees who are designated or, are not members of the bargaining unit that is legally engaged in the strike, will not intervene and carry out work or provide services normally provided by people who are legally on strike? Would he also consult with his colleague, the President of the Treasury Board, with respect to the application for consent to prosecute where illegal activity is taking place.

Hon. Mitchell Sharp (Acting Prime Minister): There have been extensive consultations on this subject in cabinet, Mr. Speaker. As a result of these consultations we are enforcing the law, and I would like to emphasize what the President of the Treasury Board has said, and repeated on a number of occasions, that prosecutions will take place where people are not reporting for work when they are required to do so.

As for the other question, of course this government is not a strike-breaker and does not intend to be.

STRIKE OF GENERAL LABOUR AND TRADES GROUP—CURRENT WAGES OF GRAIN WEIGHERS AND SAMPLERS—GOVERNMENT OFFER

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the President of the Treasury Board. The immediate and serious problem is the stoppage of grain shipments from western Canada which has absolutely nothing to do with the illegal strikes but everything to do with workers who are legally on strike. Since this issue is important not only to farmers in the west but to people all over the world who need our grain, can the minister inform the House what the current wages of grain weighers and samplers are and what is the government's offer and the rationale behind it?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, there are 19,000 people involved in those negotiations and it is difficult for me to remember the salary of every one of them. They are involved in the GLT strike and the parties have resumed discussions this morning. I hope they will find satisfactory grounds for settlement. It would not be advisable to negotiate the level of salaries in the House of Commons.

Mr. Broadbent: Mr. Speaker, a supplementary. My question to the minister did not pertain to the 19,000 but to a much more restricted number, the grain weighers and samplers. If it is not the government's intention to impose a settlement through arbitration or some other means that is not acceptable to the workers and would therefore lead to wildcat strikes and other kinds of work stoppages, can the minister tell the House, so that we can reach a fair-minded judgment on the issue, what the guidelines are for the government proposal to the specific categories of workers involved in the strike?

[Mr. Richardson.]

Mr. Speaker: Order, please. Even if the minister were prepared to attempt to answer that type of question, it seems to me to call for much too general an answer for the question period. Perhaps the hon. member could be a little bit more specific.

REQUEST FOR NAMES OF GROUPS WITH WHICH GOVERNMENT WILL BE NEGOTIATING WAGES OF THOSE GROUPS AND GOVERNMENT'S WAGE POLICY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will come to my third question then, and if the minister will answer that he will be answering the second question I asked. In view of the strikes that are taking place and the strikes that are distinctly possible in future because of all the contracts that are due for negotiation, will the minister assure the House by Monday of next week that he will make a statement on motions to inform the House, and therefore the public, of what groups will be negotiating with the government in the near future? Secondly, will the minister provide a breakdown—which he could get on the weekend—of the wages and salaries that those groups are now receiving? Most important, would the minister indicate to the House the government's general position on wages and salaries? I ask this in view of the fact that he said in committee yesterday that certain civil servants are being paid too much. It seems to me that he should justify to the House and the public the government's rationale for its wage policy.

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the hon. member could have taken the trouble yesterday morning to come to the committee and ask me those questions.

Some hon. Members: Hear, hear!

Mr. Chrétien: I was at the meeting at 9.25 yesterday morning and until ten o'clock there was no NDP member present. He could have asked me those questions there. I have 80 different unions negotiating with the Treasury Board and this means 155,000 people. I do not think it is fair to ask me for, or have the House listen, to these details. If there is a question on the order paper, I will be happy to table the information.

Mr. Broadbent: Mr. Speaker, a question of privilege with reference to what the minister just said. I asked my question precisely because a member of the New Democratic Party was at that meeting yesterday—

An hon. Member: How long?

Mr. Broadbent: —and heard the minister make the statement to which I referred in my question this morning. I repeat, what he said in committee to a limited number of members of the House is not sufficient in terms of providing a general statement on the government's

policy on wages and salaries, which is what I requested him to provide in the House on Monday, at the latest.

● (1130)

Mr. Saltsman: Mr. Speaker, may I speak on the question of privilege? I was at that committee meeting yesterday and I pointedly asked the minister that question specifically. I asked him what the guidelines are and how he intended to view the statement he had made about being tough, in light of the request made to the committee to allow more money for supplementary estimates. At no time during that committee meeting did he give us any definitive answer or any indication that he was prepared to answer those questions.

Mr. Chrétien: Mr. Speaker, on the question of privilege, I was specific. I said there was nobody of that party there before ten o'clock. I was there alone for 20 minutes, waiting for the quorum. Do not blame me for that.

Mr. Speaker: Order, please. There seems to be an interesting point of debate, but not a question of privilege.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

REPRESENTATIONS OF QUEBEC LIBERAL PARTY CONCERNING PROGRAM "FORMAT 60"—GOVERNMENT POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to put a question to the minister responsible for the CRTC.

It has been reported that representations have been made to the Canadian Radio-Television Commission by a certain organization known as the Quebec Liberal Party following the last program of the "Format 60" series on the CBC.

Can the minister tell the House if such representations have been made and what is the position of his department in this matter?

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I cannot give an answer to the hon. member. I am not aware if representations have been made as the event is too recent. As for the position of the department, it is of course to respect the independence of action of the CRTC, which is a quasi-legal organization which acts on its own authority as concerns complaints such as the ones mentioned by the hon. member.

Mr. Beaudoin: Mr. Speaker, I would like to ask a supplementary.

Could the minister tell the House whether, if such representations are made, he will make a statement in the House on this matter?

Mr. Pelletier (Hochelaga): I cannot promise to make a statement, Mr. Speaker, because I do not know if such a statement will be timely. I believe that if the CRTC receives a complaint it considers serious and decides to investigate, it will be up to the CRTC itself to form its own judgment. This is what the CRTC has done in the past without the department being involved or invited to intervene in any way.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

GOVERNMENT POSITION ON INQUIRY INTO ALLEGATIONS AGAINST THE SEAFARERS' INTERNATIONAL UNION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Justice. As a former vice president of the Seafarers' International Union of Canada yesterday called for a public inquiry into what he calls serious irregularities within the union, such as beatings, ballot stuffing, do-not-ship lists and threats against the lives of some union members, including his own, and as on February 28 the minister said in reply to a question that the government wants to be thorough before reaching conclusions about conducting an independent inquiry, can the minister now advise the House if he is sufficiently convinced that this inquiry must be held. If so, can he tell the House when it will be initiated by the government.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, officials of the Department of Justice and the Department of Labour have been working together on this matter to this date. While we have been pursuing additional information, there has been no indication of any justification for an inquiry. Some investigations are still going on and my colleague, the Acting Minister of Labour, will have something further to say on that.

* * *

CANADA LABOUR CODE

REQUEST FOR AMENDMENTS TO PART V—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, may I direct my supplementary question to the Acting Minister of Labour. Last December I twice raised the matter of improvements and amendments to Part V of the Canada Labour Code, to protect union members from discrimination and improper treatment by their own executive. I now want to ask the Acting Minister of Labour what progress if any has been made in this regard, since it is obvious that the SIU has continued repressive and unfair practices against many of its members.

Hon. André Ouellet (Acting Minister of Labour): Mr. Speaker, I do not think I can accept the conclusions advanced by the hon. member. So far there have been no clear cut indications following the various investigations, to indicate that there is reason to believe that criminal activities exist. I bring to the hon. member's attention that there is evidence of two criminal cases related to one assault which should be pursued by the police departments involved, but this does not justify an inquiry. I remind the hon. member, and I am surprised he is not aware of this, that there is a tribunal especially established to deal with such allegations as he raises. That tribunal is the Canada Labour Relations Board. People

who have reason to believe that there has been a violation of the act or that they have been discriminated against can come before the board and be heard.

Mr. MacKay: A final supplementary question, Mr. Speaker, I thank the minister for his answer. I am perfectly aware of the tribunal to which he refers but remind him that there is a cumbersome, time-consuming and impractical prerequisite which must be met before people who wish to be heard by the board may have the opportunity to be heard. I request that the acting minister do something to change the legislation in this regard.

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ABORTION

VIEW OF MINISTER OF FINANCE CONCERNING REMOVAL OF PROVISION FROM CRIMINAL CODE—POSSIBLE CONSULTATION WITH MINISTER OF JUSTICE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Justice. Can he tell the House if the former minister of justice consulted him before making his public announcement that he feels abortion should be taken out of the Criminal Code and left to the conscience of the individual.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, obviously, a question about when and how ministers talk to one another is itself extraordinary.

POSSIBLE REMOVAL OF PROVISION FROM CRIMINAL CODE—GOVERNMENT POLICY

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, may I direct my supplementary question to the Acting Prime Minister. Can he clarify whether it is the policy of the government to reinforce existing laws, which apparently is the view of the Minister of Justice, or whether the Minister of Finance, in his statement, touched more closely on the policy of the government.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government is agreed upon the enforcement of the law.

Mr. Yewchuk: A final supplementary question, Mr. Speaker. Considering the response of the Acting Prime Minister, can he say if the Minister of Finance was expressing intended government policy which we may soon see in the form of new legislation.

Mr. Sharp: Mr. Speaker, when the government intends to introduce legislation, it gives lots of notice.

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AGRICULTURE

POTATOES—REQUEST FOR AID TO PRODUCERS—GOVERNMENT POSITION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Agriculture and concerns meetings he and his officials had on Wednesday with representatives of the agriculture industry, particularly with potato growers of New Brunswick and Prince Edward Island. I think he recalls those meetings vividly. In view of the request for emergency aid which is so badly needed by potato growers in both those provinces, has the minister arrived at a decision? If so, when will he make an announcement? I ask this, as time is pressing.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we only received the request from the farmers last week. We met them this week. We hope to have some kind of mutually agreed on assistance program to announce by the beginning of next week.

POTATOES—REQUEST FOR PUBLICATION OF MARKETING STUDIES

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. Some time ago the minister referred to studies which had been made into aspects of marketing which disturbed him and his officials. He indicated he was prepared to make those documents available after he had met with officials of Prince Edward Island and New Brunswick earlier this week. Has he made those documents available to them, or will he do so shortly?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the studies concern actual incidents taking place in connection with the marketing of potatoes or incidents which have taken place in the past as well as suggestions for programs. The farmers made some new suggestions this week for our consideration. We will make the studies public as soon as we have put all these factors together.

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TRANSPORT

URBAN TRANSPORTATION ASSISTANCE PROGRAM—DEFINITION OF WORDS, "COMMUTER SYSTEM"

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister of Transport. I gave him notice of it. With respect to the Urban Transportation Assistance Program, what steps is the minister taking to ensure that the words "commuter system" will be defined so as to include municipal transit systems, so that, for example, the Northeast Rapid Transit Line of the city of Edmonton will qualify for federal assistance, that is, for 100 per cent of the cost of vehicles and 50 per cent of the cost of stations and platforms?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, perhaps the hon. member is right, but I did not receive notice of his question. I should like to have received it to enable me to answer his question, but I did not get the notice.

Mr. Roche: A supplementary question, Mr. Speaker. I thought, because of our postal difficulties, that I would have the question hand delivered. This I did three days ago. I sent the minister notice of the question. I am sorry he did not get it.

ENERGY

SUGGESTED GOVERNMENT SUPPORT FOR RAPID TRANSIT SYSTEMS TO CONSERVE ENERGY

Mr. Douglas Roche (Edmonton-Strathcona): May I direct my supplementary question to the Minister of Energy, Mines and Resources. What action is the minister taking to translate appeals to the public to conserve energy, such as appeals being contained in national advertising campaigns, into such concrete measures as federal financial support for rapid transit systems within municipalities to cut down on the energy wasting confluence of cars in highly urbanized areas?

● (1140)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that is clearly a direction, not only to the advantage of land use but also energy conservation, in which we will be moving. It is with that motive in mind we are developing policies with the Department of Transport in that direction.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

POSSIBLE INCREASE OF QUOTAS FOR SEALS—GOVERNMENT POSITION

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, there is a question I wanted to direct to the Minister of State (Fisheries), but since he is away to carry out official duties in Vancouver, I shall direct it to the Minister of the Environment who is working in close contact with the former in this area. Considering that people within our society and governmental agencies are seriously concerned, whether justifiably so or not, about the seal possibly becoming extinct, has the minister received from his field officers any report as to the number of individual seals which are on the ice fields off the Magdalen Islands in the Gulf of St. Lawrence?

Hon. Jeanne Sauvé (Minister of the Environment): In spite of the close relationship which exists between the Minister of State (Fisheries) and the Minister of the Environment, I have received to date no definite information as to the seal population in the gulf, although I have heard unofficially that they are quite numerous this year.

Mr. Béchard: Mr. Speaker, I want to put a supplementary question.

In view of the minister's answer, when this answer will be official, does the department intend to increase the quotas? To dispel the preconceived ideas that exist on that matter and the false notions members might have, on both this and the other side of the House, I would ask the minister to organize immediately, or as soon as possible, a trip to the ice banks of the Gulf of St. Lawrence including the Magdalen Islands, so that members might see that the seal is not dying out.

Mrs. Sauvé: I am sure such a trip would be very rewarding for everybody and would enable members to see how seal hunting is done and to draw their own conclusions. As soon as reports are available on the number of seals, the Minister of State for Fisheries will determine the quotas for this year.

* * *

[*English*]

SOCIAL SECURITY

SUGGESTED ADOPTION OF GUARANTEED ANNUAL INCOME TO PROTECT CHILDREN FROM EFFECTS OF POVERTY—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the very strong position taken by the minister in a speech he made last October 31 in Toronto wherein he called upon Canada to face up to the problem of poverty and inequalities in distribution, and in view of the ghastly picture portrayed this week in the report published by the National Council of Welfare on children in poverty in Canada, can the minister say whether he views this as a serious matter and whether he is now prepared to take action to provide for a guaranteed income level for all Canadians, especially for the 1,600,000 children who are deprived because of the inequalities in our economic system?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, there are numerous elements in that report on which I agree entirely. Regarding the second question of the hon. member, he just has to consider the positions adopted on the whole question in a consistent way by the government during the last two years. I would have been pleased had the hon. member's colleagues in the provinces shown as much consistency as the federal government in that field. We would have made more progress.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the fact that at the recent federal-provincial conference most of the provinces were prepared to agree to amendments to the Canada Assistance Plan and other legislation to move forward in this matter, when is this minister and this government going to give some leadership with respect to this very crucial problem?

Some hon. Members: Hear, hear!

Mr. Lalonde: Mr. Speaker, the hon. member for Winnipeg North Centre must have the same source of information as his leader. I am afraid they are both wrong.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in terms of sheer investment, does the minister not agree that it would be worthwhile to invest in these 1,600,000 children whatever is needed to give them the opportunity of becoming first class Canadians?

Mr. Lalonde: Mr. Speaker, I am glad to know that the hon. member endorses what I have been saying for the past two years.

Oral Questions

LABOUR RELATIONS

STRIKE AT VANCOUVER HARBOUR—SUGGESTED APPOINTMENT OF WESTERN CONCILIATOR

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, on Tuesday last I asked the Acting Minister of Labour if he would approach the two parties in the dispute on the west coast, the longshoremen and the Maritime Employers Association, to see whether both parties would welcome a mediator at this time. Has he made that approach?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, and I have effectively advised the employees association and the union president this morning that I had appointed Mr. Bill Kelly, assistant deputy minister of labour, as a mediator to help the parties come to a settlement.

* * *

[*English*]

EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE—GOVERNMENT INTENTION TO SUPPORT 200 MILE LIMIT OR EDGE OF CONTINENTAL SHELF

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In view of the fact the minister is presently preparing to attend the Law of the Sea Conference, and in view of the uncertainty demonstrated within the past ten days in the Gulf of St. Lawrence as to where Canadian territorial waters end and international waters begin, is the minister prepared, either this morning or on motions next week, to make a clear statement on the stand he will be taking in Geneva on the 200 mile limit or the edge of the margin, whichever outward limit he intends to support?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, in response to the hon. member's question, I should first clarify for him his reference to the waters in the Gulf of St. Lawrence. The government of Canada regards these waters as historic Canadian waters. As such, they are internal waters of Canada. The laws of Canada apply to them in the same way they apply to the waters of our inland lakes. That position has been reaffirmed over the years, going back to the early administrations. I believe in 1949 the Prime Minister of the day reiterated that Canadian government position in the House of Commons.

With respect to the second part of the hon. member's question, last week I made a fairly comprehensive statement in that historic city of Halifax on the whole question of law of the sea. I will make it available to my hon. friend, and if following reading he wishes to pursue it further I will deal with it in the House.

● (1150)

Mr. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. I thank the minister for his clarification of the Gulf of St. Lawrence problem; I am just sorry that there were not other authorities in Canada who were as clear about the matter as the minister appears to be. The Solicitor General is not here, but there seems to have been some dispute as to the jurisdiction over these waters. As for the statement made in Halifax, I did read that statement.

[Mr. Lalonde.]

Mr. Speaker: Does the hon. member have a question?

Mr. Munro (Esquimalt-Saanich): Yes, Mr. Speaker, it is this. Perhaps the minister would make a statement in the House. I am asking him to make a statement and to define, with charts if necessary for tabling in the House, the exact lines from which his 200 mile or edge of the margin proposals are going to be made.

Mr. MacEachen: Mr. Speaker, we have restated, and will continue to restate at the Geneva conference, the position of the Canadian government which is to seek sovereign rights, and to have them confirmed in an international convention, to the edge of the margin. As my hon. friend knows, this is particularly so off the east beyond the 200 mile zone, which is gaining considerable acceptance in the international community. I should point out to my hon. friend with respect to our efforts to have our views on the continental margin accepted that we are still having an uphill fight, but the Canadian delegation has been instructed to pursue that objective with vigour at the Geneva conference.

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UNEMPLOYMENT INSURANCE

ALLEGATION BENEFIT CHEQUES NOT PICKED UP FROM TEMPORARY DEPOTS—REQUEST FOR INVESTIGATION AND REPORT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct my question to the minister of manpower who is responsible for unemployment insurance. The minister will recall that last year during the postal strike there was some difficulty experienced by those entitled to cheques which were not picked up at temporary depots, and an investigation into the matter was carried out. It has been brought to my attention that a similar set of circumstances exists in the Toronto area where some one-third are not picking up their cheques at the Wellington Street depot. Would the minister investigate this matter and report to the House his findings?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will look into it. I would remind the House that there were some great exaggerations and misinterpretations of some of the findings made on the previous occasion. There are many reasons why people might not pick up their cheques, such as not even knowing about the facility being made available to them. Therefore, I do not think it is wise to rush to certain conclusions of the sort implied in the hon. member's question.

Mr. Alexander: A supplementary question, Mr. Speaker. I am not particularly worried about what the conclusions

were last year. I am now telling the minister that it has come to me through reliable sources that one-third of the cheques at the Wellington Street depot have not been picked up. Would the minister do us a favour by looking into these allegations and reporting back to the House? While doing so, in addition to the Wellington Street depot would he also investigate the situation across the entire country, so that we will know what is happening and whether any abuses are taking place?

* * *

LABOUR CONDITIONS

STRIKES AT PORT OF VANCOUVER—REQUEST FOR STATEMENT OF PLANS TO SETTLE AS WELL AS LONG-TERM PLANS TO AVOID FUTURE STRIKES

Mr. Marke Raines (Burnaby-Seymour): Mr. Speaker, I have a question for the Acting Minister of Labour. In view not only of what I call the critical situation at the port of Vancouver but a recurring critical situation month after month and year after year, with the port of Vancouver strikebound by two unions, as the House now knows, I want to ask not only what are the government's immediate plans but also what are the government's long range plans to solve the labour problems on the west coast and to ensure a steady flow of grain and other commodities through west coast ports?

Hon. André Ouellet (Acting Minister of Labour): Mr. Speaker, I have just announced that as an immediate step we have appointed a mediator, Mr. Kelly. I assure the hon. member that Mr. Kelly is a very experienced man in longshoring problems, well known to the parties, and I hope that not only will he assist the parties in settling their dispute but that he will provide a basis for a long-range solution to the problem on the West Coast.

* * *

AGRICULTURE

FERTILIZER—SUGGESTED MINISTERIAL STATEMENT OUTLINING BASIS OF ACCUSATIONS AGAINST COMPANIES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture, of which I believe he has notice, and it relates to his address yesterday to the Canadian Fertilizer Institute. During his speech the minister levelled certain warnings and accusations regarding the activities of the fertilizer industry. In light of the fact that certain members of this industry object to these insinuations as having no basis, would the minister take an opportunity early next week to make a statement on motions outlining his position as to the activities of this particular industry?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the hon. member is referring to an address that I made to this group yesterday in Ottawa. They were holding their annual meeting at the Château Laurier and I was invited to go along. Contrary to what the papers said, the timing was arranged to meet my convenience because I wanted to be in this great institution to listen to all the speeches of hon. members on the agricultural stabilization bill.

These facts and figures were prepared by the very efficient people in my department. I am concerned about all food production in Canada, and about the people in the developing countries who have to depend upon fertilizer. If fertilizer is not available cheaply in Canada, then how can we expect them to produce food when they have to pay exorbitant prices also in the developing countries? I do not think it is necessary for me to make a statement in the House. The Parliamentary Secretary to the Minister of Consumer and Corporate Affairs also outlined what further action the government may take when he addressed this body last night.

FERTILIZER—REQUEST FOR TABLING OF COST ANALYSIS OF INDUSTRY

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, if the minister chooses not to make a statement on motions, then in view of the fact he has been quoted as saying that his department has prepared a comprehensive cost analysis of the fertilizer industry, would he be good enough to table this particular report or study in order not only that the fertilizer industry may see the basis on which the minister delivered his address yesterday but, more importantly, that the farm consumers of these products can see the report?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, that speech was not distributed, and one reason it was not is that I am criticized so much for distributing speeches. If this is what the hon. member is requesting, that I should continue to distribute the talks I give when this honourable institution is not sitting—and 97 per cent of my speeches are made when the House is not in session—then I can certainly comply.

Mr. Jarvis: Mr. Speaker, may I ask a final supplementary? I am sure the minister did not hear the question or he would not have replied in that manner. I do not want him to table his speech; I got that in the mail. I am wondering whether the comprehensive cost analysis that his department made into the fertilizer industry, particularly into its pricing methods, could be tabled in the House.

Mr. Whelan: That was in a speech, Mr. Speaker, but I will table it. I will have my officials prepare it in documentary form so that it can be used by the hon. member. If my officials are wrong, then the House should know, and so should the fertilizer industry.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Did the Minister of Agriculture reach a consensus yesterday with the fertilizer industry?

Mr. Whelan: Mr. Speaker, since the leader of the official opposition is asking about the consensus with the fertilizer industry, I would think all he would need do is read some of the speeches that his members put on the record in the last couple of days on the subject of stabilization.

Oral Questions

ABORTION

SUGGESTION MINISTER OF JUSTICE CORRECT STATEMENTS IN LETTER TO HOSPITALS AND REFRAIN FROM WRITING SIMILAR LETTERS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Justice and it is somewhat supplementary to the question asked by the hon. member for Egmont. In view of the rather humane and civilized statement that the previous minister of justice made on Wednesday that the subject of abortion should be withdrawn from the Criminal Code, in view of the statement that the Prime Minister made on February 26 that the Criminal Code refers to health as involving many considerations apart from purely physical ones, and in view of the minister's letter—

Mr. Speaker: Order, please. It seems to me that a couple of days ago I had occasion unfortunately to single out the hon. member to try to get across to him and others the undesirability of having too many preambles to a question. It seems to me that the hon. member said he understood that point, so I am wondering why he does not put his question.

● (1200)

Mr. Leggatt: Mr. Speaker, I do understand the point, but it is a little difficult to get the minister to understand. The minister wrote to hospitals under his own jurisdiction not too long ago and said that social and economic considerations were not to be taken into account in determining whether a pregnancy can lawfully be terminated. I would ask whether the minister has corrected that statement he has sent to hospitals under his own jurisdiction, particularly in view of the statement made by the Prime Minister in this House and also the very civilized statement made recently by the Minister of Finance?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the statement was completely correct in this context, and was completely consistent with other statements the Prime Minister and I have made on the subject.

Mr. Leggatt: Mr. Speaker, I would ask the minister if he would explain briefly how there is consistency? The second part of my supplementary question is, would the minister at least give this House some assurance that he will quit writing to various attorneys general in this country, and quit writing to various hospital committees, because surely by now we have an acceptable legal interpretation of Section 251?

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SOCIAL SECURITY

CANADA PENSION PLAN—PROPOSED ELIGIBILITY OF HOUSEWIVES—GOVERNMENT POSITION

Mrs. Ursula Appolloni (York South): Mr. Speaker, in view of the fact that this is International Women's Year, and in view of the undeniably valuable contribution Canadian housewives have always made to the social and economic fibre of this country, would the Minister of National Health and Welfare tell this House whether his department is seriously considering allowing housewives to be eligible under the Canada Pension Plan and, if not, why not?

[Mr. Whelan.]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, a study has been made by the Advisory Council on the Status of Women and also by the Canada Pension Plan Advisory Committee on this very subject. The two studies have been released and tabled before the Federal-Provincial Conference of Ministers of Welfare and, if I remember well, distributed to this parliament as well. These two studies contain specific proposals which I intend to discuss with my colleagues at the forthcoming conference in April. We will then try to develop an agreement among the various governments on the specific proposals put forward by the two advisory councils on this particular subject, which I know has aroused a lot of interest throughout the country.

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SUPPLY AND SERVICES

GOVERNMENT POLICY IN AWARDING CONTRACTS WHEN DIFFERENTIAL BETWEEN BIDS OF CANADIAN AND FOREIGN COMPANIES SMALL

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Acting Prime Minister relating to a statement made in the House yesterday by the Minister of Supply and Services, to the effect that the government allows 10 per cent leeway for Canadian companies when they are tendering. In view of the fact that the Minister of Transport's Department did not allow this 10 per cent, which allowed a U.S. firm to take away a contract from a Canadian firm at the Vancouver International Airport, will the Acting Prime Minister assure the House that he will review this contract with the Minister of Justice in order to correct the situation and allow this Canadian company to compete so that this contract might be returned to a Canadian company?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I listened very carefully to what my colleague, the Minister of Supply and Services, said yesterday. He did not refer to price, he referred to Canadian content. However, the Minister of Transport in his reply laid down the general principles that apply, and that is that the government should take advantage of the cheapest supplier. There are circumstances under which that rule might be varied a little bit, but the Minister of Transport seemed to be satisfied that it should not be varied in this case.

Mr. Reynolds: What you are saying is that the American company has the Canadian content.

Mr. Marchand (Langelier): Mr. Speaker, on a question of privilege.

Some hon. Members: Order.

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF DREDGING CONTRACTS—INQUIRY AS TO WHETHER INVESTIGATION EXTENDS TO BRITISH COLUMBIA

Mr. Ron Huntington (Capilano): Mr. Speaker, on February 27 the hon. member for Burnaby-Richmond-Delta asked the Minister of Transport whether he had initiated investigations into dredging contracts in British Columbia, and the minister answered no. On March 4 the hon. member for St. John's East asked the Solicitor General if evidence showed that there were grounds for suspicion in other areas, and the Solicitor General said in part:

—evidence led them to believe that there could be some kind of impropriety in other parts of the country—

Mr. Speaker: Order, please. If the hon. member has a question for the minister would he put it.

Mr. Huntington: Mr. Speaker, would the Solicitor General advise the House as to what type of evidence became available to spring this investigation to B.C., and would he advise the House of the company or companies in British Columbia that are involved?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I never said the investigation was extended to British Columbia. I said the investigation in respect of dredging contracts had been extended. I also said it was not in the public interest to announce publicly where and against who the investigation was extended.

An hon. Member: You said "across Canada".

Some hon. Members: Oh, oh!

An hon. Member: Is B.C. not part of Canada?

Mr. Allmand: It is not in the public interest to announce publicly—

An hon. Member: Has the investigation travelled across the land to B.C.?

Mr. Allmand: It is not in the public interest to announce publicly who is being investigated. This would be counterproductive to the investigation.

Mr. Huntington: Mr. Speaker, I would ask again if the investigation into the dredging business by this government has now gone across the country, and are they investigating companies in British Columbia?

Mr. Allmand: Mr. Speaker, I have to repeat that we do not announce publicly where the investigation is being made, because this would be really counterproductive to any effective police investigation.

Some hon. Members: Oh, oh!

An hon. Member: You don't even know.

Mr. Huntington: On a question of privilege, Mr. Speaker. I do not think I was asking who, I was asking where.

An hon. Member: He doesn't know.

POST OFFICE

ALLEGED ATTEMPTS OF EMPLOYEES TO SABOTAGE POSTAL CODE—GOVERNMENT ACTION

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have a question for the Postmaster General. Is he aware of deliberate attempts on the part of postal employees to sabotage the use of postal codes?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I am aware of the fact that certain employees recommend that postal codes should not be used, but there is no evidence that anybody is sabotaging postal codes. I am getting a little fed up with 53,000 postal employees being smeared daily by silly questions.

Some hon. Members: Oh, oh!

An hon. Member: Who do you think you are?

Mr. Halliday: Mr. Speaker, in view of the fact that I have here an envelope mailed recently in London, Ontario, and received in nearby Thamesford, with no cancellation or postmark on the envelope, but which does have the postal code struck out by pencil and replaced with the inscription "ban postal code", would the Postmaster General inform the House what specific steps are being taken to correct this abuse of Her Majesty's mail and the defiance of government policy by postal employees?

Mr. Mackasey: Mr. Speaker, if I were to listen to the hon. gentleman from the Maritimes, who normally is very quiet, but is rather unruly this morning, for reasons best known only to himself, I think the key thing would be—

Some hon. Members: Oh, oh!

An hon. Member: He is still waiting for his mail.

Mr. Mackasey: I think the key phrase in the supplementary question is that the person got the letter very rapidly and very recently, so I am sure that person is quite content.

SUGGESTED REMOVAL OF SMALL GROUPS OF ACTIVISTS—GOVERNMENT ACTION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question which is partly related. In view of the fact that an official in the post office in Toronto has revealed that the recent disruption in services was created by activist groups which go under names like "The Workers' Action Movement" and "The Spartist Independent Society in Canada", and other names of that kind, would the Postmaster General now give us the assurance that these small groups of activists will be dealt with so that the good reputation of the bulk of posties will be preserved and further disruptions of this kind avoided?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I do not know who the unnamed official is, but I am glad that the hon. member did not include the IRA in that long list.

Some hon. Members: Oh, oh!

An hon. Member: If you are tired, get out.

Mr. Nowlan: We are getting tired of the kind of service we are getting and the service we are not getting.

* * *

● (1210)

TRANSPORT

PASSENGER TRAIN SERVICE IN SOUTHWESTERN ONTARIO—AUTHORIZATION OF LETTER FROM MRS. WALLER—MINISTER'S POSITION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Transport. Sometime ago I asked the minister whether he had authorized Mrs. Diane Waller of his office to write a letter in which she indicated it would be in the public interest that passenger train service in southwestern Ontario not be restored and the federal government has the responsibility to encourage bus service instead. The minister indicated at that time that he would make a reply the next day. As that was some 132 days ago I wonder if the minister is prepared to provide us with an answer today?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I regret very much that it was so noisy, not on that side but around me, that I did not catch the first part of the question.

Mr. Beatty: Mr. Speaker, my question for the minister was related to a question I asked him last fall about the letter sent by Mrs. Diane Waller of his office to a constituent of mine in which she indicated it would be in the public interest that passenger train service in southwestern Ontario not be restored and that the federal government has the responsibility to encourage bus service there. The minister indicated that he would give a reply to the House and has not done so. I am wondering whether he could indicate if Mrs. Waller's letter was authorized by him before it went out and whether or not she was speaking on his behalf.

Mr. Marchand (Langelier): Mr. Speaker, this whole problem is under study with the government of Ontario and nobody was authorized to make any statement in my name.

Mr. Speaker: The hon. member for Wellington on one supplementary.

PASSENGER TRAIN SERVICE IN SOUTHWESTERN ONTARIO—REQUEST OF ONTARIO MINISTER FOR STUDY OF INTEGRATED BUS AND RAIL SERVICE—GOVERNMENT POSITION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, could I ask the minister whether the office of the Ontario Minister of Transport and Communications has been in touch with the minister or with his officials to express their dissatisfaction with the conclusions and recommendations of the third report of the Canadian Transport Commission in respect of transportation in our area and has the Ontario minister requested a co-operative study to establish guidelines for an integrated bus and rail service in southwestern Ontario. If such a request for study has been made did the federal Minister of Transport agree and when will the study be completed and released to the public?

[Mr. Mackasey.]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we discussed this problem last week in the House I think. I met with the minister, my counterpart in the government of Ontario, and we are supposed to meet with him again. In the meantime the officials are meeting together. I cannot say now what the opinions of the officials are, but I hope soon to be in a position to tell you what the position of the government is.

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EXTERNAL AFFAIRS

RELATIONS WITH EUROPEAN ECONOMIC COMMUNITY—REQUEST FOR DEFINITION OF TERM "CONTRACTUAL LINK"

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a very brief but very important question to ask the acting Prime Minister. What is meant by the term "contractual link"?

Mr. Speaker: Order, please. Orders of the day.

Mr. Crouse: I rise on a point of order, Mr. Speaker. Our Prime Minister at the present time is visiting European countries—

Mr. Speaker: Order, please. I am not disallowing the question. The President of the Privy Council showed no interest in answering the question.

Mr. Crouse: I shall ask a supplementary question, Mr. Speaker. In light of the fact that the Prime Minister is visiting the European countries endeavouring to carry out what he calls a contractual link and when no one in Canada seems to know, and the Acting Prime Minister does not even know, what this means, my supplementary is will the Acting Prime Minister telephone the Prime Minister and ask him to explain for his benefit as well as for the benefit of the people of Canada what he means by contractual link which is very important to our country.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I entirely agree with the hon. member that what the Prime Minister is trying to achieve is very important.

Some hon. Members: Hear, hear!

Mr. Sharp: It is very important to the achievement of an objective I hope he shares which is the strengthening of Canada's relations with the European Economic Community. Canada has been proposing over a number of years—perhaps my hon. friend has not been following these discussions as he should have—the formation of a link with the European Economic Community which would be in the form of a contractual link, a very important means to establish a relationship under which when issues arise there would be an opportunity for the Canadian government and representatives of the European Economic Community to talk about them before they become serious problems.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED INADEQUATE TRANSPORTATION POLICY—REQUEST THAT FUNCTION OF DEPARTMENT BE REVIEWED BY HOUSE

Mr. Jack Murta (Lisgar) moved:

That this House questions the ability of the Ministry of Transport on its past and present record to provide and to run a modern, safe, efficient and co-ordinated transportation system for Canada's national and regional economies, its foreign trade and its social needs—as promised Canadians in the Speech from the Throne; refers to that ministry's repeated failure to provide interim remedies for urgent transportation problems while Canada awaits that promised transportation system; and recommends that the structure, function and performance of that ministry be forthwith reviewed in depth by this House.

He said: Mr. Speaker, I should like to start this debate by saying that we on this side of the House look forward to debating the subject of transportation, certainly in its public form. We feel that transportation has suffered under the present Minister of Transport (Mr. Marchand) during the last few years. We hope in our contribution to outline some of the more salient points of the problems so far as transportation is concerned. We also hope the minister will engage in this discussion today and possibly set down some guidelines as to the direction transportation policy in this country will be taking. We feel it is very important and critical that this be spelled out in as clear terms as possible.

Frankly, we are skeptical when the minister says that he intends to introduce a transportation policy in the next few weeks or months. We will not believe it until we see it. I hope the minister will keep on saying this another fifty times until it happens. We believe transportation under this administration, especially under the present minister, has been allowed to deteriorate to a point where it now operates to the detriment certainly of regional development, particularly as applied to the two extremities of the country, the Atlantic region and the western provinces.

Mr. Baker (Grenville-Carleton): I rise on a point of order, Mr. Speaker. I think it is a matter of great discourtesy that a member should be speaking to the minister who is the subject of this debate. The point the member is trying to make is that transportation in this country is in a mess and that the speeches made on this matter require the whole attention of the minister.

Mr. Marchand (Langelier): The hon. member was saying something important.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if I have offended the hon. member for Grenville-Carleton (Mr. Baker), I apologize. I was speaking to the minister simply to ask whether he intended to follow the member who is now speaking or to speak later in the debate. By the way, I did not receive an answer.

Mr. Deputy Speaker: I do not wish to comment on this matter other than to say I hope it will be quieter in the House so we can hear the hon. member's remarks.

Mr. Murta: Thank you very much, Mr. Speaker. It is indicative of the whole transportation system in this country that the hon. member for Grenville-Carleton (Mr. Baker) would have to rise on a point of order. It would seem that the minister and the government do not care at the present time, and I say that sincerely. I was saying that Canada's transportation system so far as can be determined, is working to the detriment of regional development, particularly as it applies to the so-called extremities of the country, namely, the Atlantic region and the western provinces. Each sector of the current transportation system appears to have been developed in isolation from the other sectors. Consequently, there is no integration and the ability to enter into any long-range planning has been virtually nullified. We see the results of that at present.

● (1220)

Canadian travellers have been plagued by increasing costs and an increasingly poor quality of service, as anybody who has travelled across this country knows. I believe that in general the government is subsidizing substantially a transportation system that operates contrary to the public interest and which in many cases appears to be in a shambles. I suppose, that the words of the minister regarding the governments transportation policy will be quoted to him again and again. He said that it is in a mess. More recently the minister stated that transportation in Canada is in even more of a mess than anyone realizes. However, he has consistently refused to do anything about it. In fact, we often find the minister—this has happened in the last two or three weeks—either in the House of Commons, in committees or outside the House, in front of the public, actually making a laughing-stock of his department and of the Canadian transportation system. The election promises made in the 1974 campaign appear to have been lost in a maze of meaningless declarations of intent, and all we have left is a self-confessed mess.

The problem may be better illustrated by an examination of the haphazard framework within which each section of the transportation system is allowed to operate. As I mentioned before, they appear to be operating at times in complete isolation one from another. For example, air transportation at present exists in what must be termed a complete policy void. In November of 1973 the Minister of Transport announced route divisions between Air Canada and CP Air, claiming all the while that his statement was the first of three announcements which would complete the over-all review of air transportation policy. More than a year and a half has passed since he made that statement, with no further policy announcements coming from his department, despite the fact that in March of 1974 he informed us that the transportation system was in a state of chaos.

Air Canada, which will be discussed later in the debate, our national airline, recorded in 1973 a profit of about $12 million. In 1974, as everyone knows, it recorded a deficit in the neighbourhood of $9 million. Between 1973 and 1974, CP Air—which is Air Canada's chief competitor—registered a substantial profit. Admittedly, it was lower than the previous year's, but it was still a profit.

According to the minister's department and the public statements that we have heard, no one seems to know why

Air Canada is losing money, nor does its president, Mr. Yves Pratte. Mr. Pratte claims, through the press and in speeches he has made that, on one hand, the deficit was caused by tremendous competition from the air charter companies, when we know that the national airline is the largest charter operator in the country, and on the other hand he claims that these losses have been experienced because of increased subsidization of short-haul routes by longer routes. Yet the five regional air carriers which are confined to short-haul routes all recorded substantial profits in 1974.

My contention is that at present morale in Air Canada, especially among the employees who work with the travelling public, the ones whom you and I see when we go to an airport, is low. But I would point out that I do not believe that is necessarily the fault of the employees. Rather, it is the result of the complete lack of direction by top management personnel in Air Canada. I also contend that Air Canada is top-heavy so far as its management is concerned. This is unfortunate because it is what happens so often in government-owned corporations or agencies. It seems to be an almost built-in instinct of the people in the top echelons of these corporations to appear to create virtual empires for themselves, thus destroying the whole intent of a nationally-owned enterprise.

Another example of the contradiction that exists in our air policy—there have been other examples since—is in the application which was made back in 1973 for an air carrier to service Thunder Bay and Sudbury. Nordair, which is the regional airline operating out of Montreal, applied for permission to operate a service to Sudbury and Thunder Bay. After receiving assurances from the communities involved that Air Canada was not willing to service these areas—that was the basis of their application—an application was made to the Canadian Transport Commission in December of 1973.

Nordair had examined the route in accordance with the 1966 regional airline principles and came to the conclusion that it was within its legal boundaries when applying for the route allocation. Within two weeks of Nordair's application, Air Canada announced its intention to service the Thunder Bay-Sudbury area, having repeatedly refused to do so in the past. Nordair applied to the Canadian Transport Commission, which decided that under the terms of the Air Canada licensing contract established by the Air Canada Act, the national airline can connect any points within the boundaries of its licensing charter if it so wishes. Needless to say, Nordair has appealed this decision.

This is the kind of constraint under which third level air carriers operate, and this is where changes should be considered. Because such situations might arise in the future, the entire Air Canada Act should be reviewed. Spokesmen for the regional airlines contend that if the Air Canada contract states that that airline may pre-empt the application of any other airline, that will have a discouraging effect. I am inclined to agree with them and I think it will create an inhospitable climate for future investment and development.

We must realize that the airline industry depends on what is termed long lead time for planning future development. In the current, non-directional framework that exists, the only airline capable of any sort of long-range planning—sometimes we wonder whether it does any meaningful long-range planning—is Air Canada itself. This is certainly to the detriment of other sectors of the industry which I contend can operate for the good of the Canadian public as well as Air Canada is supposed to, provided we can introduce the kind of competition that I believe is necessary to make Air Canada a more efficient airline.

● (1230)

Another area of grave concern to the Canadian public is the framework within which the railways operate in terms of policy guidelines. I contend, as I did at the outset of my speech, that we do not have at the present time any policy guidelines. An example of this is the whole question of railroad passenger service. If one considers this year's estimates which the Committee on Transport and Communications will be studying very shortly, he will see that approximately $200 million has been allocated to the subsidization of an uneconomic rail passenger line.

To give the House a little background, these payments are distributed to the railways for continued operation of passenger service in areas where the Canadian Transport Commission has decided that the continuation of service is essential to the interests of various regions. In other words, these payments ensure that through direct subsidization, in some cases an uneconomic rail passenger line will be continued. The system was devised in 1967 under the regulations of the National Transportation Act. In order to abandon a passenger line on which the railway is operating at a loss, the company must apply to the CTC before it can discontinue the service. Then the Canadian Transport Commission conducts a study into the effects the abandonment of the line would have on the region served. In approximately 98 per cent of the cases, the CTC has determined that discontinuation of the service would be to the detriment of the area concerned.

The end result of this process is the removal of any initiative by the railways to improve their services. They are always assured of receiving 80 per cent of what they lost in operating costs and I think it is natural, therefore, that they are neither inclined, nor are they forced, to better their services. The whole question of subsidies for uneconomic lines should be intensively investigated, especially in light of the current circumstances. By "current circumstances" I mean the present situation and also the advancements in technology which have occurred over the past few years. In the past few years the railways have been relegated to second place compared with air and automobile travel. Air transport has been singled out as the answer to our future travel requirements. However, with the uncertainties at the present time caused by the energy crisis and its potential effect on transportation, the railway in many countries, the United States in particular, have been resurrected and restored to a more favourable position.

Mr. Marchand (Langelier): You don't know what you are talking about.

Mr. Murta: If I do not know what I am talking about, Mr. Speaker, I hope the minister stands up when I am

finished and informs us what the government is going to do, and does not make flippant remarks. The whole railway system for moving people must be intensively considered, especially in densely populated areas of the country. This question was discussed briefly the other day in the transport committee. In the densely populated areas of the country there is great need for a far better, high-speed rail service to move people around.

I hope the minister will also take regional air services into consideration for the more sparsely populated areas of Canada, such as the west. I think a legitimate question to consider is the aspect of allowing regional air services to play a far greater role in the movement of people in more sparsely populated areas such as Manitoba, Saskatchewan and Alberta.

Mr. Speaker, grain movement affects a major part of our economy and also a major part of the land area in our country. It is a matter which will be dealt with more fully before our debate is over. In the area of grain movement there is virtually no policy direction by the government. There is virtually no policy to rationalize our grain handling system. A year ago we were talking about exporting a billion bushels of grain per year. At the present time, with the uncertainties in rail transportation and with tie-ups caused by the labour situation, exporting a billion bushels of grain per year is simply a pipe-dream.

The Minister of Transport cannot, and should not, take all the blame for the strike in Vancouver at the present time. He can take part of the blame because he is part of the cabinet which has refused to act in a positive way. He can, and should, take a good portion of the blame for the complete lack of policy guidelines defining what is needed in terms of grain movement in western Canada. We find that the self-appointed spokesman for western Canada, the minister responsible for the Canadian Wheat Board, has at times been making almost contradictory statements to those of the Minister of Transport.

The most glaring contradictions are in regard to the Crowsnest pass rates. The minister responsible for the Canadian Wheat Board has indicated that there will probably be a change in what is known as the Crow rate. The Minister of Transport stated the other day in committee that there will not be a change in the Crowsnest pass rate at least for the year 1975. The minister responsible for the Canadian Wheat Board has certainly attempted to overstep his own jurisdiction. He has muddied the waters as far as the discussion of transportation is concerned in western Canada, because no one really knows where the power lies in regard to any changes which may take place within the government.

In regard to suitable hopper cars to haul grain, there has been no policy decision whatsoever and the railways have stated flatly that they do not intend to purchase hopper cars to move grain. There has been almost complete indecision about rail line abandonment in western Canada, although there has been—giving the Department of Transport its dues—a decision to freeze any abandonment procedures on some 12,000 miles of track in western Canada until the year 2000. But as far as any policy in regard to rail line abandonment is concerned, there has not been a major policy decision.

Perhaps the Minister of Transport or his parliamentary secretary will outline this afternoon basically what the government intends to do as far as working toward a solution is concerned. I hope that his department has been in communication with the railways, the Wheat Board, the grain companies, the farmers and farm communities involved, because they all have to be taken into consideration when formulating an over-all rail policy for the movement of grain. The government has had the time to carry on this kind of negotiation. The Minister of Transport stated in committee that he would work toward a suitable grain handling system for western farmers, and we hope that today or in the very near future he will bring forward proposals in this regard.

In connection with strikes which pertain to grain shipments, the Canadian Wheat Board is going to cut off producer deliveries tonight because of lack of box car space. Unless the government sees fit to settle the present grain strike as soon as possible, certainly within the next few days, there may not be much of a grain industry left in western Canada to do very much about.

● (1240)

I am not going to take up the time of the House by talking about the effect of the strike on western Canada and, indeed, on the whole Canadian economy. I should like to say to the Minister of Transport, however, that when the strike is settled the government should seriously consider designating the movement of grain as an essential service so that workers in that industry will know exactly where they stand. The kind of situation that has arisen at the port of Vancouver is critical to the Canadian economy. In the past 11 years, the port of Vancouver has been shut down for 153 days because of strikes, and it will suffer irreparable harm if this situation is repeated. Another area of contention is the western economic opportunities conference as it pertains to freight rates, but I shall leave that subject for my colleagues who will be speaking later in the debate.

At present, the freight rate situation is in confusion, Mr. Speaker. The lifting of the freight rate freeze has heightened and accelerated the anomalies in the system and served to increase the kind of distress and to some extent the stagnation that has occurred in western Canada and the maritime region. The intended and publicly stated purpose of the freeze was to allow the federal government a time-frame within which an effective economic policy could be formulated. The freeze expired, however, void of any announcement whatsoever.

The disjointed policy development in this area is clearly illustrated in recent events concerning the various court decisions as to the legality of post-freeze increases. In these instances, as in others, lack of federal government direction and ministerial control has never been more evident. The decision taken by the Canadian Transport Commission accorded the railways approximately one-half of the 25 per cent increase they had applied for, and the rest on March 1, after a study period. The railways appealed to the Federal Court, which decreed that the CTC did not have the authority under the section of the act used to rule as they did. Consequently, the railways immediately began charging users the full increase.

The case was referred back to the CTC which, under the direction of the Federal Court, again ruled that the railways be awarded the original increases. The rail representatives have now appealed to the Supreme Court of Canada for a final ruling. As a result of this legal hassle, users of the system have had to operate under extremely confusing and unsettling conditions because from one day to the next freight was subject to different rates; there was no move by the minister or his department to set down any kind of direction.

The effects of greater efficiency in transportation services in Canada are far reaching. But in the absence of federal policy designed to promote and exploit this potential, the consequences for regional development and national unity could be, and are becoming, disastrous. In Canada, it can fairly be said that there is not only lack of transportation policy but lack of long-range planning toward the future development of such a policy. That is why we are skeptical of any policy announcement which may be coming out in the spring. This is a fact which may in future be responsible for the under-achievement of our national goals. In order to promote and encourage a successful economic future for Canada, a uniform strategy, formulated at the federal level and adopted by provincial, regional and municipal governments, is essential. Without the creation of such guidelines, Canadian development economically, regionally and socially will flounder.

In conclusion, Mr. Speaker, I say in all sincerity that we do not believe the Minister of Transport understands the importance of the role of transportation in Canadian life. I should qualify that by saying he either does not understand or does not care about the department. For that reason we are prepared to debate this resolution as strongly as we can because we feel it is important. We certainly hope that before the debate ends we can elicit a positive and meaningful response from the government in regard to guidelines and policy.

● (1250)

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, when I follow closely a debate in this House on the pseudo-policy concerning the railways, the economy or regional development I have the impression that I am not facing a political party which is preparing to take over power, which has its ideals, which is ready to apply measures that the other party has not understood or does not want to apply. I have had the impression, not only physically, but also intellectually and morally, that the only interesting speech was that of the hon. member for Lisgar (Mr. Murta). I tried to see if this speech contained some idea. Did it really contain the least idea of a plan for the whole of Canada? No. It consisted simply of a series of quasi-insults, of badly digested bile, of general statements leading nowhere. It did say: "It's a mess!" There should be trains. First this is full of contradictions. The trains should be economical and self-sufficient, but at the same time, there should be trains in the sparsely populated areas, but nothing is said about this.

Of course, what is important is that they do not have any policy. This is why the Progressive Conservative Party was never taken seriously by the Canadian population. What is their policy in the field of transportation? What is their air transportation policy? What is their policy, for instance, as concerns the relations between Air Canada, the Canadian Pacific and the regional carriers? What is the policy for ports, for freight, for water transportation? They have none.

What are we talking about? They are simply telling each other: You know, he is not interested, he does not work, they do not have any plans, they are not interested, but this is not much. They do not even know what is happening in their own constituency when it comes to airports, railway and civil aviation development, nothing at all. It is total vacuum, total darkness. The only argument, the only approach, and I would be quite—

Mr. Knowles (Winnipeg North Centre): They are just like the Liberals.

Mr. Marchand (Langelier): I am sorry, I am not talking about my friends of the NDP who at least in some areas have well formulated policies. Indeed I understand quite well when some of my friends tell me: I think the solution would be to bring the CPR under public ownership, that is a policy which would give results.

Mr. Reynolds: You would love to take on the CPR, wouldn't you?

Mr. Marchand (Langelier): No, no, let us forget that. I simply say they made an effort to try and solve certain problems. Everybody knows, Mr. Speaker, that transports are one of the most complex areas in Canada. It is one of the most complex, all the more so because when a solution is found it cannot be implemented overnight even if there is agreement.

This morning I had a meeting with the railway representatives to see if there is a way to have a faster service. It is not impossible to have faster trains between Halifax, for example, St. John, and then on to Montreal and Toronto. Is it possible to have a better railway system along what is called the Quebec City-Windsor corridor? It is possible. It is a matter of determining the costs, knowing how to get the necessary equipment to the railways in due time, knowing how much steel is available, what manufactures are ready to operate. We thought about all that, and we have plans in that respect. Speaking about the Maritimes, some say nothing was done there.

I know things were done in Halifax, I know things are being done at Rodney Terminal, in Saint John, N.B., for instance, in Sydney and Port-aux-Basques. Two ferries are being introduced in order to give Newfoundland a better service, at a cost exceeding $100 million a year.

We are trying to establish a coherent system of transportation within the Maritimes. We cooperated with those provinces for the development of a subsidy policy acceptable to the companies and to the provinces. A 50 per cent subsidy is granted on all types of cargo going to Central Canada, both by rail and by truck. Maritime provinces are also getting an internal subsidy to help their development. It is suggested nothing is being done in the Maritimes, that we do not care. This is not so! I can give you whole lists of what we have been doing. In British Columbia for instance, the highway is being reinforced from B.C. to

Manitoba for very efficient transportation. We cooperated with the Manitoba government to develop the port of Churchill. We are cooperating with the Manitoba government to the development of a regional line, in order to give regional service which has been lacking for some time. We cooperated with Saskatchewan, Ontario and Quebec, in order that concrete solutions be found, not from here in Ottawa, not by simply making meaningless speeches.

We are told that we are doing nothing in the field of transportation, that we understand nothing about transportation. What do these opposition gentlemen understand about transportation? What are their ideas? What stroke of genius is reflected in the proposition put forward? Nothing at all, beyond suggesting the Minister of Transport is either ignorant or unconcerned. But if this is their policy, they are bound to remain in the opposition all their lives.

I am not saying, Mr. Speaker, that it is easy. I am not saying that I will solve the problems overnight; I know the problems are extremely difficult. There are problems, and human problems. Air Canada is mentioned and it is said that Air Canada morale is very low. Why? Is there any proof of that or is this just a gratuitous statement? Whom does he want to favour? What regional carrier? Why attack the national carrier which serves all Canadians, which belongs to the people? Morale is very low at Air Canada, and Air Canada's losses are heavier than CPAir's. For a very simple reason, Mr. Speaker: Air Canada is being asked to maintain routes that CPAir would not take over, and that, because it is a Crown corporation. In other words, some progressive conservatives, are trying to do with Air Canada what they did with the CN, that is, hand over to them all the short routes that are unprofitable. Then, they will say that CPAir is far more profitable, far more efficient. We have seen it in the past.

What policy is being advocated here? Why downgrade Air Canada, Mr. Speaker? We have a national air line; it has its faults, of course. But why claim there is a scandal? They will come before the committee, where they can be questioned. But why make gratuitous statements, broad statements without any sense, without accompanying the with some suggestion however small? As far as harbours are concerned, what suggestions have been made? None whatsoever. And freight rates? What suggestions have been made?

Mr. Alexander: Et le ministre, lui?

Mr. Marchand (Langelier): Je suis le ministre, et je travaille moi aussi; j'obtiens des résultats.

● (1300)

Mr. Lougheed, who could not be accused of being a freshly converted Liberal, said after the Calgary conference: "It's a real breakthrough. Things are at least being done."

Of course, he did not say that everything had been settled, but he said: "Well, you made an effort, and a few interesting things are coming out at the *WEOC Conference*." What did our friend on the other side say? As for the *WEOC Conference*, somebody else will talk about it. Everybody knows nothing is being done. There is the whole matter of the development of the Arctic—

Mr. Mazankowski: You had better have a bowl of soup.

Mr. Marchand (Langelier): I still have something to say.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Marchand (Langelier): Mr. Speaker, this morning I dealt with some of the achievements of the department which we are trying as much as possible to integrate into a comprehensive philosophy. I talked especially about the Maritimes. I only referred to a few of the ferries in the Maritimes, but there are other ferry services we looked after, for instance, as soom as a problem arose between Digby and St. John, I contracted the Canadian Pacific without delay to have the service restored.

When we had a problem between Yarmouth and Bar Harbour, I immediately got in touch with the province of Nova Scotia to solve that problem. We are trying to find a permanent solution so that under an agreement with a Swedish company, we can provide an efficient year-round service. In the Maritimes, we have the problem of a deep water harbour. There is also the problem of connecting Halifax and Montreal, the problem of Saint John, New Brunswick, the problem of ferries to Prince Edward Island, where a new shuttle service will soon start at Wood Island, and that is extremely important. It is a pity that the hon. member for Hillsborough (Mr. Macquarrie) is not here, but we are going to build his control tower at Charlottetown, which means that Air Canada will have flights to Charlottetown. There will therefore be landing facilities in every Canadian province, including Prince Edward Island.

Of course, we have tried to solve every problem; it is a slow process. All those agreements are reached jointly with provinces, not just at Ottawa. We defend ourselves, we meet them, we have talks together, we try to settle problems. I had discussions with British Columbia and some other western provinces with respect to freight rates and the rates proclaimed under the bill which, by the way, has just been passed in Committee and should eventually be studied in this House. We settled the matter of railway rate grouping. We discussed the matter of ferries between Vancouver Island and the mainland.

There were discussions with Western Canada about the ports of Churchill, of Prince Rupert, of Vancouver, on the matter of the Western region carrier, Canadian Pacific Western Airlines. Now I have yet to hear the opposition put forward a policy on that matter; however, when a province takes hold of a carrier, it really is a serious matter... We are now formulating a comprehensive system, a third level of regional carriers.

This morning, I heard my friend, the hon. member for Lisgar, saying: Even regional carriers make money. Air Canada knows and says it. But do they know why? It is

precisely because they do not operate on a regional basis, they are mainly interested in chartered flights. They organise such flights to the Caribbean Islands, to Europe. It means that those companies, created to service small areas, have finally become companies with international interests and DC-8's and L10-11's. Thus, they make money of course, because they have customers of a superior level. Then, of course, our national companies have to take travellers when it is not profitable. He forgot to tell us those things, probably because he did not know about them.

We tried to solve the problem of railway cars of which there was a shortage last year. They are used for carrying lumber, wheat and other commodities. We appointed a supervisor, and distribution has improved. Of course, when things are not moving, it is not the supervisor who is to be blamed, but the strike. If the opposition tells us that they are against the right to strike, we are quite prepared to discuss that matter in the House. If not, they should not hold us responsible for the consequences of the right to strike.

Then, we discussed the maximum rates, for example, in the field of freight; we discussed road-beds tracks, overpasses. We discussed the Ashton-Clinton pass in British Columbia, which is so essential to speed up traffic to the ports. We discussed the national parks, crossing rates which have already been eliminated. There have been discussions about tracks relocation and legislation on that matter has already been passed. There have also been discussions about the doubling the tracks, so as to avoid, in some circumstances, passengers trains being delayed by freight trains.

● (1410)

[*English*]

Mr. Woolliams: What about that election promise that you made?

Mr. Marchand (Langelier): All this is part of the policy. Even the Calgary airport is part of it.

[*Translation*]

Mr. Speaker, I have merely stated a few problems which were discussed with the provinces. I do not refer to the Richmond Hill case which is extremely important for Ontario. I do not refer to the agreement concluded with the Ontario government for the establishment of a regional airline in northern Ontario. I leave that aside. We have settled it but all those matters are integral parts of a policy of mutual understanding which one of these days, I hope, will be submitted to the House as a cohesive whole.

The only answer I get from the opposition is: It takes a long time! But, Mr. Speaker, should I as Minister of Transport be quicker about changing the whole transportation system in Canada than the Conservatives about designating a new leader? We on this side understand very well that it might take you two years because he will not be easy to replace. I have great respect for the leader of the opposition. Mr. Speaker, I do not balk at hard work, at difficulties to overcome or even at criticisms, but I find myself facing such a vacuum in the opposition, such a lack of contribution, such nothingness—All right name one! Name just one contribution other than an irresponsible statement. They say: "Let us lower all freight rates!" That will go over big and people will flock to our side. We know very well that someone will pay for the railways, the Canadian people will. It is then a matter of distributing the cost so that the burden will be borne equally by all, even the hon. Leader of the Opposition (Mr. Stanfield)—Mr. Speaker, I think—

[*English*]

Some hon. Members: Oh, oh!

Mr. Nowlan: You have 102,000 people in your department. What about them?

Mr. Deputy Speaker: Order, please. The minister should be allowed to complete his remarks. Other members may wish to make contributions later.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I find this funny. Why? Because of the shouts I hear from hon. members opposite, and I feel this must be truly their policy, for they have none other. Shouting is the only thing they are good at when they do not agree or when they hurt, instead of coming forward with new proposals.

Can we take a chance on a linear traction train service between Montreal and Toronto, or between Ottawa and Toronto, unless it has been made perfectly safe for passengers? Ontario put it to the test with Kraus Maffei. I do not want it in Ontario, but officials soon realized that the technique was not perfect yet and said: We had better wait. Our responsibilities are the same. We must find the best techniques, so as to ensure the best possible service to the Canadian people as a whole.

Some hon. Members: No.

Mr. Marchand (Langelier): No. They say that they have the technology, that they know what to do with a train running at 300 miles per hour on railways designed for 90 miles per hour speeds. The Canadian people know that, but they do not believe them.

We have done that with Manitoba, and whatever the provinces, I do not care whether they are conservative, liberal or NDP provinces. I want to work with all provinces. I work very well with the province of Manitoba. We have agreed on several things, and I think we can agree on several other realizations. I will not change their political ideology, it is their own, and that is their own business. I think that has nothing to do with everyone's political objectives.

As concerns air agreements, Mr. Speaker, one has been concluded with the United States. Of course, some are not satisfied because most routes have been granted to Air Canada. There is a reason behind that. If some day there is a debate on that matter, I will explain why we have done that; it is not necessarily because we wanted to destroy CP Air, but rather because it is our national carrier and, at the beginning, it was supposed to be Air Canada territory.

Agreements have been concluded with China, Germany, Spain and Italy. For instance, Canadian Pacific Air Lines is allowed to land in Milan. In terms of international development, we have opened a great many new markets which will be beneficial to Canada. Why? One could very

well tell me, Mr. Speaker: It is true that you have done all that, but you should have developed other markets. For instance, you should have tried to get Thailand, that would be very important. I could discuss this but I won't discuss with people who can only yell or make catcalls. A study has been conducted on that, Mr. Speaker. I can yell just as loud as anybody. I have also been trained for that when I was young.

Mr. Speaker, it was important to conduct a feasibility study about building a railroad in the Mackenzie Valley, in the northern part of British Columbia. Obviously, the railway is not built yet. It has not been decided yet if it should be a pipeline, a railway or some other means. We must agree with Mr. Barrett, the British Columbia Premier, who has his own concept about oil or gas transportation from the North. We are ready to discuss. It cannot be done in one day. He is not ready himself to do it in one day. I went there three times but he wasn't there, with good reasons. I do not blame him. I certainly do not blame him for it because you will not find me at all times in my office.

Mr. Speaker, what is a transportation policy? We do not have all the answers. This is what we are trying to develop. That is why a great number of technicians are trying to find the best and most economical means of transportation for our freight.

For instance, in Canada, there is more and more emphasis on transportation from North to South with regard to the development of natural resources, whether it be the tar sands of Alberta, coal, sulphur, whether it be the natural resources of northern Ontario or even of Quebec. The attraction of the South is so strong that it is threatening the great line designed by Sir John A. Macdonald across Canada from East to West. It is a problem.

Now I shall put before you a very simple problem. We are presently extracting coal in Alberta and moving it to Ontario by railway. Now, it might be a better idea to produce electricity in Alberta and transmit it to Ontario. It is the best solution. Is someone in this House ready to give me an answer? A number of people have been working on this for several weeks and they have not found an answer yet. We do not know yet what is the most economical solution. We try to have a consistent and integrated transportation policy so that Canadians will have the best possible service.

Mr. Speaker, I have no objection. There are so many factors involved in transportation matters that I understand quite well why the opposition is criticizing this government. It does not bother me. On the contrary, I find it extremely interesting.

● (1420)

[*English*]

We are very much interested in that because the government needs this contribution.

[*Translation*]

There is no need for blowing the horn, Mr. Speaker. The Ottawa *Journal* published an article yesterday, and I quote:

[*English*]

"Only Marchand is amused"

[*Translation*]

I shall not dramatize about what happened to our friend, the Minister of Labour (Mr. Munro). I have probably been closer to him for some time and this for several reasons. He has been my parliamentary secretary and I tried to help him as much as I could in his predicaments. In reading such an article I told myself that if I were at a meeting of workers I would express my disgust at its author. Purely and simply out of respect for hon. members, I shall not do it but certainly not out of consideration for the newsman involved.

A reporter, not known as a Liberal—he does not eat little red peas every day—Michael Barkway, has written an article. I would invite hon. members to meditate upon it seriously. However violent our discussions may get it is not important if we are really seeking the truth and not trying to destroy somebody else. He says this:

[*English*]

In any other era it would not be worth noticing the petty attempts to find something scandalous about a gift to embellish the Prime Minister's residence. But in these times I think they are symptomatic of a more general nastiness. They represent a hunt for corruption which itself corrupts.

Perhaps Watergate has given the public a taste for wrongdoing in high places. It has fostered a wave of cynicism about all positions of trust and responsibility. It has certainly encouraged publicity seekers to scour every closet in hope of finding a skeleton—or at least a few dry bones.

Press, radio, TV and opposition politicians have found a new relish in their proper duty of exposing wrongdoing. Sometimes they forget that they have an equal duty to discriminate between what is wrong and what may be made to seem so.

The cause of public morality is not served by stirring up moral indignation on specious or trivial grounds. It is degraded into a pervasive smog of suspicion which (as John Wesley might have said) will eventually choke the godly and the ungodly alike.

[*Translation*]

Mr. Speaker, when I came here, the atmosphere was stifling. I shall not go much further this afternoon. I shall wait for another occasion. I can give you names, I can name those involved. I know the names given by the opposition and I look how they are named and in what circumstances. I ask you one thing in the name of the country: do not go on this way because you will not win. If I am prepared for an attack on the transportation policy, let them tell me: "Listen, Marchand, you are wasting your time; we do not believe you." It is the role of the opposition and it is natural. I do not want to be praised but I do not want this feeling of suspicion to return, this racism which developed in many cases—

An hon. Member: Oh, oh!

Mr. Marchand (Langelier): Let me finish; I am not talking about my hon. colleague.

[*English*]

An hon. Member: Oh, come on, for God's sake. Get off that.

Some hon. Members: Oh, oh!

An hon. Member: There is no racism here.

Mr. Guay (St. Boniface): That hurts.

Mr. Crouse: Mr. Speaker, I rise on a point of order. That is unfair.

Mr. Marchand (Langelier): This is not unfair.

Mr. Crouse: It is unfair. The minister is unfair in his accusation. There has been nothing said about racism in this debate, and I have listened to every word since it started. The minister is unfair in saying that.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, to be fair I must say that I am not referring to my hon. colleague behind me nor to the Leader of the Opposition (Mr. Stanfield).

Mr. Deputy Speaker: Order, please. I regret to interrupt—

[*English*]

Some hon. Members: Order.

Mr. Deputy Speaker: Order, please.

An hon. Member: You are a weak sister and you are using a weak pretence to cloud the issue.

Some hon. Members: Oh, oh!

An hon. Member: There was no racism.

Mr. Marchand (Langelier): What about what your friend said?

An hon. Member: His time is finished.

Mr. Deputy Speaker: Order, please.

An hon. Member: He is finished anyhow.

Mr. Deputy Speaker: Order, please.

An hon. Member: That was as unfair remark and he should withdraw.

Mr. Marchand (Langelier): You are just trying to kill me, and you are not going to.

An hon. Member: You are killing yourself. Just keep talking and you are dead.

Mr. Deputy Speaker: Order, please.

Mr. Nowlan: You go down to Nova Scotia and state that kind of nonsense and you will be dead.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I hope hon. members will give me the chance to point out that the minister's time had expired but because of the important point he was making I did not intervene. Before this is prolonged any longer, I should bring to the attention of the minister the fact that his time has expired. If hon. members want to let him complete his remarks or pursue this line, he will require an extension of time.

An hon. Member: Five minutes.

Some hon. Members: No.

Mr. Deputy Speaker: Perhaps we should solve one problem at a time. Is it agreed that the minister shall be allowed to complete his remarks?

Some hon. Members: Agreed.

Mr. Alexander: Mr. Speaker, I rise on a question of privilege.

An hon. Member: Sit down.

Mr. Stanfield: Mr. Speaker, I am sure the minister has consent to continue for a reasonable length of time, and I am sure he will not abuse that privilege.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I believe the hon. member was justified in responding as forcefully as he did because he could have felt he was attacked. In that case, I apologize. I am not talking about hon. members but about this article written by a person named Fisher, who is often in the gallery. That does not concern you, therefore I simply say that people may discuss the transport policy, may attack me. I never feel—I have been attacked by some of my friends and I never held it against them, on the contrary, I believe we remained good friends. We should all agree, everytime racism is exploited, to proscribe it everywhere in Canada, because this country is worth living in. There is no racism where people do not tolerate it.

● (1430)

[*English*]

Mr. Elzinga: Mr. Speaker, perhaps I might pose one little example for the minister. He suggested that we should not draw skeletons from the closet, yet this is exactly what he has been doing. He has been stirring up racism within the country. I believe these two conflicting statements are another example of the policy he is portraying to the Canadian people.

Mr. Deputy Speaker: Order, please; the hon. member is expressing an opinion.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I am in no position to out-shout the minister. Loud shouting will not be sufficient to enunciate the policies of the government. I agree with the minister's statements concerning the official opposition in the context of their not saying what their policy is. I think he paid a backhanded compliment to the New Democratic Party in saying that we at least have advocated alternatives to what is being done by himself and his government.

I also want to caution the minister that every time the Minister of Transport receives criticism about the government's policies or lack of policies, he should not be so sensitive and attempt to construe this as some kind of racism. That has to be a strawman, a sign of desperation

and anger; but the minister must control his anger. He quoted two opposing views of the press and mentioned Mr. Fisher. I defy him to show us where at any time Mr. Fisher in his comments has been racist in respect of the minister or anyone else.

The minister should be prepared to take it, even if he does not like it. If he cannot stand the heat, he should get out of the kitchen, to quote Harry Truman. We in the New Democratic Party, for many years—certainly for the past three of four years—have been trying to persuade the minister, and I believe he has been persuaded to some extent, to accept our position. But he should recognize that his worst problem is within his own cabinet and the government. He has colleagues who insist on acting on nineteenth century concepts in respect of transportation. I am glad one Conservative applauded.

An hon. Member: One more than the NDP.

Mr. Benjamin: This probably means at least one of them is not still in the nineteenth century. They pick on picayune questions. Their expertise tells them that anything which belongs to the people is bad. Air Canada—and the minister is right this time—compared to the CPR is terrible because the CPR shows a profit, and the CNR is terrible because the CPR shows a profit. Let me warn my friends to the right about the nineteenth century views which they have. The minister's colleagues have the same attitude. They have this glorious free enterprise concept. Transportation is a public utility which everyone must use. They continue to try to operate it in the way it was operated by the railroad barons of the 1890s. This is the type of attitude to which members of the Progressive Conservative Party and colleagues of the minister in his caucus still adhere.

Let me illustrate how good the CPR is in respect of public transportation and private enterprise. I know this may be difficult for free enterprisers to comprehend or accept, but the people of Canada have paid for all the profits of the CPR through subsidies in most years. In 1969 the CPR had a net operating profit of $31.4 million from its railway operations after fixed charges and income tax had been deducted. Their subsidies from the taxpayers of Canada that year amounted to $35 million. Had it not been for the subsidies by Canadian taxpayers in that year, the CPR would have had a loss of $3.6 million. In 1970 the CPR had profits amounting to $28.8 million, and received subsidies in the order of $30 million from the people of Canada. Without the subsidies, the CPR would have been $1.2 million in the hole in that year.

An hon. Member: On the railway operation.

Mr. Benjamin: Of course on the railway and ancillary operations being trucks, hotels, telecommunications, ships and airlines. In 1971 the CPR showed operating profits, after fixed charges and income tax, of $38.6 million and received subsidies from the people of Canada of $40 million. We have been paying for this company even though we do not own it. We have been making sure there are dividends for the shareholders of $1.70 or $2.70. We have done this through subsidies.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Socialism for the rich.

Mr. Benjamin: Private enterprise must have more profits even if it means using the taxpayers' money. The minister is justified in complaining about the official opposition, but what the official opposition, the New Democratic Party and the people of Canada want is his policy, not the Conservative policy or the NDP policy. We are not the government. What is the minister's policy? He wants the Conservative Party and the minister in charge of the Canadian Wheat Board to tell him what he should do. If that is the position he is in, he should quit. If the minister is so bereft of some backbone, determination, imagination and political muscle in his own group that he must rely on the Progressive Conservative Party to tell him what their policies are so that he will know what to do, then he should quit.

The minister, who has worked very hard to solve these problems, has allowed events to occur over the past few years which have made the problems worse. I ask the minister how long he intends to sit back and allow one of his own colleagues to make statements, announcements and to start investigations, and so on, which have to do with transportation. This should be the minister's prerogative and responsibility. Who makes announcements and statements about branch lines? The Minister of Justice (Mr. Lang). Who makes statements and announcements about the Crowsnest Pass rates? The Minister of Justice. Who makes announcements and sets up transportation committees under the Canada Grains Council? The Minister of Justice.

● (1440)

I ask, where the heck is the Minister of Transport (Mr. Marchand)? If I were Minister of Transport and one of my colleagues was doing that to me, I would say to the Prime Minister (Mr. Trudeau), "Look here; either he shuts up or here is my resignation". How long is the Minister of Transport going to sit back and take that nonsense? The Minister of Justice, if he gets his way, will be the architect of the further destruction and alienation of western Canada and of rural Canada in particular.

Some hon. Members: Hear, hear!

Mr. Benjamin: The hon. member for Lisgar (Mr. Murta), the hon. member for Vegreville (Mr. Mazankowski), the hon. member for Yorkton-Melville (Mr. Nystrom) and myself want to support the Minister of Transport on a transportation system that will allow us to live together as a country, that will preserve rural Canada and enable the grain producers to get their grain to the market.

The Minister of Justice announced what the government will do with the Crowsnest Pass rates. I will repeat, for the benefit of the Minister of Transport, what I said before the Minister of Justice, if it will help strengthen his position in the cabinet. The other night the minister said in the committee that the Crowsnest Pass rates are not like the Bible. I want to tell the Minister of Transport that he and his colleagues would have a better chance to amend the Ten Commandments that they would to amend the Crowsnest pass rates. Those rates are the one decent and fair deal our grain growers have had in our transportation

system. Yet the Minister of Justice is trying to destroy that agreement. How much longer will the Minister of Transport stand for that nonsense?

With regard to the freight rates, I read again the communiqué put out at the Calgary meeting a week ago last Monday. The Minister of Transport said to his counterparts in the provinces that he will propose a legislative amendment to reduce rate differential anomalies between raw and finished products, and in the interim will consult the provinces and take measures necessary to correct urgent anomalies. He has consulted the provinces umpteen times since he became Minister of Transport and he knows what the anomalies are: they have been pointed out by the people of western Canada for the past 50 years.

If the Minister of Transport needs another couple of months to bring in his legislation, why does he sit back and allow the railroads to compound those inequities? It would only take two phone calls, one to the president of CNR and one to the president of CPR, telling them, "You will not increase any rate until we bring in this legislation". Instead of that, all the discrimination, the anomalies, the inequities and the absurdities in our freight rates structure are being compounded by increases in these rates.

To illustrate, let me refer to Burns and Company which are phasing out their meat packing plant in Prince Albert. Why are they doing it? Because the minister and his government sat back and allowed across the board rate increases that increased the spread between the cost of sending dressed beef and live cattle to central Canada. But the Minister of Justice supported the railways in the Supreme Court. The difference in cost between sending dressed beef and live cattle from Saskatoon to Montreal used to be 91 cents per 100 pounds. Now, as of March 1, it costs $1.17 more to ship dressed beef.

What does that do to our meat processing and packing industry in western Canada? It kills it. But the minister sits back and allows it to happen. All we have are the platitudes in his communiqués telling us how he is going to correct these anomalies. He has been saying that ever since the day he became Minister of Transport—but he has yet to correct them. It is time he led, instead of waiting for the Conservatives, for members of the NDP and for the provinces to tell him what to do.

If I owned the Burns plant in Prince Albert, I would shut it down also. I would not want to own it either privately or publicly. Our freight rate and express rate structure make it economic suicide to try to operate a meat packing plant in Prince Albert, Saskatoon, or Regina. There is a perfectly logical reason for that. Any good management of a packing plant would close it down when the minister sits back and allows freight rates to be increased. A large part of the production of packing plants relies on the shipment of the product in small lots to hundreds of communities within several hundred miles of the location of the plant. What does the CNR do? Under our present transportation policy, the CNR cannot operate any differently from the CPR. It is told to be competitive and to make a profit: It is not told to provide service and to meet the transportation needs of Canadians no matter where they live.

[Mr. Benjamin.]

What does the CNR do? Our own national railroad tells the retailers in Hudson Bay, Saskatchewan, and it tells Burns and Company in Prince Albert—only about 180 miles away—that they can ship, for example, 22 pieces of processed, packaged meat, or 610 pounds, which used to cost $21.80 or $3.57 a hundredweight, at a new rate of $33 or $5.40 a hundredweight. That is an increase of 52 per cent. Yet the minister allows these inequities to continue and to be compounded. I insist that all it takes is two phone calls, with the backing of the Prime Minister, of the government and of parliament, to the presidents of our two railways telling them that they are not to increase the rates at present. But the minister does not do it. Instead, he asks the Conservatives for their policy, as if that would be of any help. How desperate can you get for a policy if you have to ask the Conservatives? I am surprised that the minister is not a little more erudite than that.

I should like to make some comments about grain movement in the present situation. Everybody says that the workers have the right to strike. I give the minister full credit for standing by the right to strike, but he and the government have yet to make any significant move to remove the causes of strikes. Like the Minister of Finance (Mr. Turner), they say that the lowest paid public servants must show restraint. At the same time, they give an increase of $8,000 to $10,000 to deputy ministers and assistant deputy ministers. Increases are given to economists running around here who have Ph.Ds in the sex life of date palms. No restraint is required of them, they do not even have to bargain for increases: the cabinet and Treasury Board pass them through.

However, the lowest paid public servants are told they should show restraint. And the minister wonders why they shut down Vancouver harbour! He should have known that was the only result he would get. I want to propose something to the minister, something he has heard from me many times and with which he agrees, I am sure, in his heart and mind. He needs help and support in his own ranks. He must put a stop to the machinations and the dinosaur mentality of the Minister of Justice if he wants to succeed with a really national transportation policy in this country. As I said earlier, transportation is an essential public service; it is a public utility; it is something everybody has to use. Since that is the nature of transportation the minister must say in his new policy—which I hoped we would get today—that the major portion of the transportation system must be publicly owned and controlled. Consider any other country in the world, whether capitalist, communist, socialist or whatever: their transportation systems are publicly owned and publicly controlled. I spent a week in London the year before last; they know how to move people and goods.

● (1450)

Mr. Woolliams: Right into a tunnel.

Mr. Benjamin: The first fundamental change the minister must bring about in transportation policy is the elimination of competition and profitability as the prime criterion for the operation of our railroads, airlines or other modes of transporation. The priority has to be service and making transportation systems available to meet the social and economic needs of our country, whether or not

they make money or lose money. It is as logical to have two competing railroads as it is to have two competing highway systems or two sewer or water systems.

If the minister would bear with me for a few more minutes, I will go into a little more detail. Given the principle of public ownership and control, given the principle of priority of service in meeting the transportation needs of this country and that competition and profitability take the lowest priority, it must follow that by integrating all modes of transportation each mode is assigned to its most sensible use. It is nonsense for trucks to be hauling loads from Toronto to Vancouver. It is uneconomic, it is inefficient and it flies in the face of everything all of us believe in regarding the consumption of energy and reducing pollution.

The minister proposes to put up about $157 million to improve the highway systems to take bigger load limits. That proposal flies in the face of all good sense about energy, pollution, safety and a decent, civilized community. It is equally nonsensical for a 100-car train to make short hauls of small lot shipments for 50 miles, 60 miles or 100 miles. That is the place for trucks. It is stupid for DC-9 and DC-8 jets to fly between Ottawa and Montreal: it is inefficient, wasteful of fuel and, again, flies in the face of all the things hon. members from all parties have talked about in this chamber for years.

Whether moved by bus, train or plane, our freight rates and passenger fares should be all-inclusive. Can the minister visualize somebody travelling from Ottawa, Ontario, to Peggy's Cove, Nova Scotia, buying one ticket with three coupons on it and going by train from Ottawa to Montreal, plane from Montreal to Halifax and bus from Halifax to Peggy's Cove, all of those modes being included in one fare? Each mode of transportation must be put to the best, the most efficient and the most sensible use.

Something must be done about the equalizing and/or subsidizing of fares and rates. We discriminate against people in our country because of where they happen to live. Will the minister face up to the fact of our geography, our climate and our people being scattered over 5,000 miles? It should be possible to fly from Toronto to Inuvik for the same price as from Toronto to Winnipeg. An equalized-subsidized system of freight rates would put an end to this mess in our freight rate structure. The minister needs to do something more than just talk about harbours, about $10 million in the estimates for three years in a row for the port at Churchill—and they are just now getting around to spending it. Again, the government has the imagination of a doorknob. For the port of Churchill $100 million is needed, not $10 million.

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

An hon. Member: Let him finish.

The Acting Speaker (Mrs. Morin): Is there agreement that the hon. member should continue his remarks?

Mr. Murta: I would caution the House that we have a number of speakers this afternoon who are prepared and wish to participate in the debate. The House will adjourn at five o'clock. If the House agreed to let everyone exceed their allotted time, we would be unable to finish.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, on the same point of order, I agree with the general position taken by the hon. member for Lisgar (Mr. Murta), but I wonder if there could be some latitude extended to the first speaker for each party. I think after that the cut-off should be absolute.

Mr. Murta: I agree.

The Acting Speaker (Mrs. Morin): Is it agreed that the hon. member for Regina-Lake Centre (Mr. Benjamin) be allowed to complete his remarks?

Some hon. Members: Agreed.

Mr. Benjamin: Thank you, Madam Speaker, and I thank my colleagues for their generosity and courtesy. I promise to be only five minutes and I think I can live up to that. I wish to continue with habours and terminals. Why do we need to put another one or two terminals in Vancouver? The place is so badly congested now that there is not enough room for a waiting ship to turn around. The shore space available for tracks and yards and warehouses is almost used up. What about another terminal in Prince Rupert? Even with the present facilities in Prince Rupert we could double the grain movement with one additional train per day for 42 weeks. For ten weeks of the year, when there are large snowfalls, rainfalls and slides, those trains do not run; but for 42 weeks an additional 11 million bushels could be moved into Prince Rupert and half a dozen of the ships in Vancouver could be loaded there. The same thing applies at Churchill. It can, and should be a six-month or seven-month a year port instead of three months. The allocated $10 million will not scratch the surface. Policy is needed in the area of integrated rail, air and bus transportation.

The dismal history of regional air carriers in this country is one of obtaining a franchise, sucking off a couple of lucrative routes from Air Canada and then telling us how they are going to serve a whole region. Then within a matter of months, or a year or two, they are begging for subsidies. All the time they are operating, the ability of Air Canada to provide service to people in the country, no matter where they live, is further decreased. If one were to add $1 to the fare of everyone who travels between Ottawa, Montreal, Toronto and Winnipeg, for example, one could fly from Toronto to Vancouver or Halifax for the same price. We would stop discriminating against people in this country because of where they happen to live.

Why do we need five or six airlines? It is inefficient and wasteful, with duplicate management. The regionals and the private carriers want the lucrative routes. They have forgotten that the purpose of transportation is to serve the needs of people. All they want to serve is their own interest, which is profit. This parliament and this government has to make up its mind about which comes first, people or profits.

An hon. Member: Tell that to Air Canada.

Mr. Benjamin: The people of this country, if their transportation costs them money over and above the cost of passenger tickets and freight rates, will pay it. They do not expect their Post Office to make a profit, and never have. No post office that I know of in any country in the world has ever shown a profit. They do not expect their sewer, water and highway systems to show a profit. In 1967 we subsidized cars, trucks and buses to the tune of over $400 million. In the same year we subsidized the airlines, both public and private, to the tune of $170 million. In both cases that is more than the direct subsidies paid to the railroads.

● (1500)

Until the Minister of Transport (Mr. Marchand) wins this battle in his own caucus and in cabinet he does not need to worry about what Conservative or New Democratic Party members say. Why does he keep asking conservatives for their policy? How desperate can you get? How bereft is the Liberal government? As soon as the minister makes a fundamental change in the direction and purpose of our transportation system then we will be able to move toward building a system that is integrated and efficient and, most of all, one that ensures that the social and transportation needs of the people of Canada will be met, no matter where they live.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Madam Speaker, I am glad to have this opportunity to take part in the debate on the motion before us. I noticed on reading it that the wording was rather provocative, and I am not surprised that this debate took a stormy turn for a while. In any event, I did not have the pleasure to hear any of the speakers I heard, although there may have been good things said, raise the basic problem which is the cause of most of the difficulties we have to overcome in transportation.

First of all, what with the famous debt in each of those transportation areas? I wonder why we do not further analyze that matter to see if we might find some kind of solution to the problems of transportation services which are indebted and spend most of their revenues paying back interest.

I have with me a report for 1972. The net revenue of the CN amounted to $48,257,000; the interest to $66 million; the deficit is $17 million. Obviously, how could it be possible to improve a system with such a deficit due to interest on an almost priceless debt.

The St. Lawrence Seaway administration has a net revenue of $1,817,000; interests amounting to $22 million; and a deficit of $20,885,000.

Air Canada, which can definitely be termed an "in" service, had operation benefits of $45 million, a debt interest of $32 million; a net benefit of $8 million; and since 1963 the amount of interest paid is $199 million.

That is a very interesting side issue. Most members should spare the time to check and try to find some process, some form of payment, a type of loan which does not get them into endless debts, which they cannot ever repay, all the transportation agencies and systems. That is why I felt it advisable to point out this situation at the beginning of my remarks.

However, when looking at the situation, it is easy to note, and I have explained the reasons first, that there are many contradictions in Canada's transportation system which is in a mess. That situation has been prevailing for quite some time, and there is nothing new to it. Federal governments, one after the other, recognized in principle that Canada needs a rational transportation system. By that, they mean a system through which the basic needs of the population in every part of Canada should be met by the most efficient and inexpensive means of transportation.

The MacPherson Royal Commission of inquiry was supposed to recommend the rationalization of the transportation services in Canada which compete each other and which are duplicated. The new Transport Act of 1967 was supposed to implement policies for the achievement of this aim. The new Canadian Transport Commission was supposed to have been empowered to implement that legislation. Unfortunately, it can be noted that the transportation situation has not improved sufficiently.

However, I must point out that the new Ottawa-Montreal highway is greatly appreciated by drivers. All signs point to a reduction in the number of accidents. It is an improvement which is worth noticing. For the Ottawa-Montreal return trip, one can use a CN or CP train; one can also use the bus, or fly Air Canada. The yachtmen can even sail up the Ottawa river. However, it is not advisable to do so, as the Minister of Transport (Mr. Marchand) has already capsized, after hitting a submerged log. It is not a mode of transportation which can be recommended.

Which of these modes of transportation is the fastest, the most efficient and the cheapest? Undoubtedly, the train could be so, but the reduction of services and the increasing rates are going to make the train less attractive to potential travellers.

The more one examines the federal government's transportation policy, the more confused it seems. These various agencies compete each other, launch contradictory plans which have nothing in common except that they all cost millions to the taxpayers.

We have on the one hand the Canadian National, a Crown corporation, working at the systematic destruction of its passenger services with the wholehearted encouragement of the Canadian Transport Commission. Imagine, the federal regulatory body! But while the CTC lets railway companies get rid of their passenger trains, another government body, the Department of Industry, Trade and Commerce is paying half the cost of a $2.5 million project to manufacture a high-speed passenger train.

During that period, the federal Department of Transport felt transportation services between Ottawa and Montreal were not sufficiently diversified. So they granted millions of dollars in subsidies to an undertaking named Air Industries Association of Canada in order to have another intercity transportation mode, called STOL—short take off and landing. Let us hope that service will prove satisfactory to the people, without reaching enormous costs.

It must be admitted that railway passenger service did not always get the kind of encouragement needed from all quarters, and this is due to a number of factors. It may be worthwhile to state a few. I shall mention schedules. They are frequently changed, without taking into account the needs of different regions.

The people in charge of Canadian National passenger services in particular, because I know them better than other services, should maintain more frequent consultations with train conductors to establish schedules one year ahead. Those employees, conductors and engineers, know the problems. Unfortunately they are not asked for their views. Consultation is a one-way proposition. Decisions are taken to stop here or stop there, but not elsewhere. Finally, people take the bus or other means of transportation.

I have here an article signed by Maurice Huot in the newspaper *Montréal-Matin* of November 29, 1974. It sums up the situation pretty neatly. Present circumstances warrant that the article be quoted in parts. It states:

> The battle to revive railway passenger services was dealt a hard blow by former federal Liberal Minister of Transport J. W. Pickersgill.
>
> According to a Canadian press dispatch from Ottawa, Mr. Pickersgill stated at a Carleton University seminar that if passenger trains disappear in Canada, in less than one year, no one in the country would be bored. In Mr. Pickersgill's opinion, the taxpayer should not be forced to pay for a few rich middle class passengers who use passenger trains between a few big cities. According to him, this money would be better spent if it were used to improve the freight service.
>
> We are also reminded that the Transport Act passed in the House of Commons during the sixties created the transportation commission of which Mr. Pickersgill was the first chairman.

Indeed, Mr. Pickersgill had prepared a job for himself at a very interesting salary.

> ... It is under his administration that the commission allowed the railways to eliminate certain passenger train services while others were maintained with the help of federal grants. On the other hand, Mr. Jean Marchand blamed this act for the unfortunate situation of train transportation. For his part, Mr. Marchand wants to improve the passenger train services.
>
> Of course, this issue is complex. It is certain that in Canada and the United States, train service is more popular with travellers. Should we not allow the travellers to have the choice of taking the train, the bus, or the plane for their business and pleasure trips?

In order to preserve oil energy, would it not be appropriate that more passengers take railway transit systems linking major cities? Is it not also by stimulating passenger railway transportation that the railway companies will make more profits from that means of transport and that the subsidies and grants will be decreasing?

Railway transportation is still very popular in Europe as well as in Asia for passengers, thanks to the improvement of tracks allowing higher speed. We do not quite understand why Mr. Pickersgill has intervened, given the present economic, technological and social situation.

In 1971, railway transport experts maintained that railways were not profitable in any country, except Switzerland. Recent statistics indicate that Japanese railways were operating in the red. And yet the railway service there was very good, as it was in France and Germany. Contrary to Canada those three countries decided once for all that railways had a social role to play in public transportation. This is what we must consider: a railway transit system, a genuine social service. We must provide the Canadian people with a passenger service because railways are quite safe and that they can run despite bad weather, when other means of transportation are paralyzed in certain circumstances.

We must think of the social role of a passenger service. Even though we will have to engage more public money, we know what has been the cost up to now. But if such a service could be improved we could then build up a good transportation service to accommodate all Canadian people, ensuring that in almost all occasions, except in a very few exceptions, public could enjoy a good service.

So I believe that Canadians would be satisfied with decisions of that sort and the railroads could be used with greater advantage than it is the case now.

The question is not whether the Canadian Pacific is more willing than the Canadian National or conversely, to attract business. The thing is to know when the government will finally say when it intends to provide transportation services more suited to the Canadian people.

Following the passage of the new 1967 Transport Act, the government is prepared to subsidize transport companies in respect of their losses, but one must stop and think that a subsidy is not a transportation policy. Other means must be sought. Recently, the disparities in freight rates caused great prejudice to a great many manufacturers, particularly those in my area, because I received representations to that effect.

Adjustments would have to be made because manufacturers in my area had to layoff people because freight costs were too high in various provinces, even if orders are waiting to be shipped. Once again, I hope the minister in co-operation with his colleagues can find a formula better suited to the needs of Canadians.

● (1510)

[*English*]

Mr. Murta: On a point of order, Madam Speaker, it has been agreed that, because time is short and many members want to participate in the debate, we should limit speeches to 15 minutes. I think the NDP and the other party agree to this.

The Acting Speaker (Mrs. Morin): Is it agreed that, from now on, speeches shall be limited to 15 minutes?

Mr. Knowles (Winnipeg North Centre): Agreed; and there is to be no overtime.

Mr. John Reynolds (Burnaby-Richmond-Delta): Madam Speaker, it is a pleasure to speak on transportation. This morning and early this afternoon I listened to the Minister of Transport (Mr. Marchand) give one of his great performances in the House. His hands were waving, and his delivery was faultless. But I remember hearing a similar speech before. He put up a wonderful show, and did it very well.

What he did reminded me of something I saw last Wednesday night. I was sitting in a movie theatre and just before the main feature came on they showed a cartoon which reminded me of the Minister of Transport. The cartoon was about a character known as the Roadrunner, who runs around at great speed, says "beep, beep," and

really does not do much else, although what he does is very entertaining. He reminded me of the Minister of Transport. He is very entertaining, but he seldom says anything worthwhile.

What disturbed me about the minister's speech were his comments on racism. Madam Speaker, I have been here for three years and, to me, it always seems that allusions to racism come from the other side of the House. The people of Canada are tired of hearing them. I do not know what they have to do with transport policy in this country. Our criticism of the minister does not involve racism. We criticize him because he is incompetent, because his department does not know what it is doing, and because the people of Canada are fed up with the government's lack of policies in transportation.

At the beginning of his speech he took a shot at the Conservative party. He said it lacked policies and is lacking physically, intellectually, and morally. I wonder how the Minister of Transport could make a statement like that, after running around the country during the last federal election campaign and telling the people what his party would do for urban rapid transit, to make trains run and to build airports. So far we have not seen any legislation which would implement the policies the minister talked about in the last election campaign. I wonder how he can talk about a moral position.

Mr. Dinsdale: Especially as the Liberal party is morally derelict.

Mr. Reynolds: During the election campaign he spoke about an urban rapid transit policy. To my amazement, many of the things he said were taken right out of the policy pronouncement prepared by my party over one year before that. Some actual sentences were taken from my party's policy pronouncement. So, what is the minister thinking when he talks about my party's intellectual and moral qualities?

What is the government's attitude on the manufacture of aeroplanes in this country? The government paid de Havilland in Ontario, the builders of STOL aircraft, tens of millions of dollars in aid. Now the parent company, Hawker-Siddeley, wants the government to buy the de Havilland Aircraft because it does not think it will be successful.

Throughout the minister's 40 minute speech he kept asking for suggested solutions from my side of the House. Now he has left the House, just as we want to suggest solutions.

I draw the minister's attention to Dominion Aircraft Ltd., formerly of British Columbia. My party, and members of the minister's party were in favour of giving aid to that company to help it build STOL aircraft. The government refused. Now that company is in business in the state of Washington, south of British Columbia, employing people to build an aeroplane which should have been built in Canada.

Consider also what has happened to Trident Aircraft Ltd. of British Columbia, which has developed a float aircraft. The government gave the company $1.5 million as a PAIT grant. The individual owners of the company put up $1.5 million of their own capital. Now the government is telling these people that it will not put more money into the company, and the company may need to close down unless it is given assistance. These examples illustrate policies which people in my part of the country do not accept, and which the people of Canada will not accept.

I want to talk for a few minutes about airports in British Columbia. In 1966, the then minister of transport, J. W. Pickersgill, said:

● (1520)

> The Department of Transport intends to acquire all of Sea Island eventually. The statement freezes the real estate market and subjects Sea Island to a *de facto* expropriation.

In 1973, only seven years later, there was still the same problem. All the homes have not yet been expropriated. The Hon. Jack Davis, then minister of the environment, said at that time:

> No special environmental impact-study has been made on the effects of the airport expansion.

What kind of transport department comes up with these types of answers seven years after announcing an expansion of an airport, stating they have not yet come up with any environmental studies to let the residents know what will be the effects? The Hon. Jack Davis also said:

> Expropriation on Sea Island is in line with Ottawa's decision years ago to clear the island of all private homes.

Since that time we have had government assurance that they do not want to go into all areas of Sea Island. We have asked for other studies of the area. We cannot get any answers. What kind of government comes forth with these kinds of policies?

The minister wants to talk about moral intellectual decisions of the Conservative party. I wish to read a letter sent by the Liberal party during the election campaign. It concerned the people of Sea Island. The letter was addressed "To the concerned Sea Island residents". Copies were delivered to people in the area and the media. I quote from it as follows:

> The following is a statement released after several days of telephone negotiations with Ottawa and Mr. Ron Basford's office, through Liberal candidate Joan Wallace, Burnaby-Richmond-Delta:
>
> Mr. Ron Basford has promised to sit down with Joan Wallace regardless if she wins her riding or not, to negotiate a fair and equitable settlement of the Sea Island expropriation and renters' problems. In addition, Mr. Basford will initiate the appointment of an impartial, new mediator to act on the discussed issues. Mr. Basford initiated this commitment on the premise that it will be accepted on an unbiased and objective level by the Sea Island group. The commitment was also made after repeated assurances by Joan Wallace's campaign manager that all parties involved in the preliminary discussion to date have been completely serious on ending this very serious problem and that the new mediating body would be respected in their judgment if empowered under the act.
>
> No further clarification of what the new mediating body's form will be, i.e. one, two or three impartial people but the names as suggested during our meeting on Sea Island were put forward to Mr. Basford for serious consideration.
>
> It was pointed out that Mr. Isadore Wolfe will not be involved in the negotiations.
>
> We believe that this is a major step forward and a very constructive one. Joan is very optimistic a compromise can be achieved very soon.
>
> The preceding statement was negotiated through the office of Ron Green of the B.C. Liberal party headquarters.

Yours very truly,
for Joan Wallace, Campaign Office
Sandy McLeod
Campaign Manager

The people of Sea Island respected that statement made by the candidate in the last election and by the then Minister of State for Urban Affairs, now Minister of National Revenue (Mr. Basford). What happened after the election? The results were not as they wanted them. The people of Sea Island sent a telegram to Ottawa. They received back the following telegram:

Mr. W. Charles Johnstone, General Counsel, Sea Island Ratepayers Association.

I have your letter of July 11. No statement was enclosed but I presume you refer to a statement dated July 6 issued by Mr. Sandy McLeod. Mr. McLeod must be in error in that I have made none of the commitments alleged. Mr. Wolfe is special adviser to the government in this matter and your proper course is to deal with him.

The Honourable Ron Basford, Minister of State for Urban Affairs

That was a complete reversal of what the government promised the residents of Sea Island. Nothing has been done to date. The residents of Sea Island are still there, waiting and wondering what is going to be done in their situation. There is a court decision. The residents finally had to take the government to the Federal Court of Canada to plead their case so they would not be kicked out of their homes. I will quote from the decision of that court so that we will know what the judge had to say after listening to both sides of the situation. I quote:

With reference to the Canadian Bill of Rights the learned counsel for respondents stressed that due process of law had not been followed in the present instance because the minister had not given proper assistance to seek and obtain alternative premises and had stopped negotiations as soon as actions were instituted for additional compensation.

In my opinion assistance has to be given if section 24(5) is to be meaningful, otherwise it is wholly optional to the minister to give or not give assistance. That subsection 5 of section 24 reads as follows:

(5) For the purposes of subparagraphs (3)(b)(ii) and (4)(b)(ii), consideration shall be given to the time and circumstances in which a former owner was allowed to continue in occupation of the land after the Crown became entitled to take physical possession or make use thereof, and to any assistance given by the minister to enable such former owner to seek and obtain alternative premises.

As per the evidence the assistance was not worthwhile.

That is a judge of the Federal Court saying that this minister and this government have not given proper assistance to the people of Sea Island. Until proper assistance is given, the problem will not be solved. I might mention that most Liberal members from British Columbia agree with the people of that area. They have met them and I think they have great sympathy for their problems.

The minister asked for solutions. I will give him a solution to the problem in that area. I want to talk about interest payments that have had to be made. They amount to over $700 a day. The government has paid over $250,000 in interest. That is money the government owes those people.

I want to compare the situation of the people of Sea Island with those in Pickering, Ontario. The original estimated cost in Pickering was $70 million. An additional 10 per cent payment made in August, 1973, increased the original market value across the board by $7 million. Agreement not to take possession until January, 1975, did not limit a final home for a home evaluation. That is a program which the people of Sea Island do not have.

In 1969, 88,000 acres were expropriated at Mirabel, Quebec. Of 3,180 owners, all but 112 were settled by March, 1973. However, in November, 1973, the government reopened claims and grants with a $16 million across the board adjustment. Why would they do that when only 112 claims were not settled out of a total of over 3,000? The government undertook arbitration of land values across the board on all claims, and revised the original estimate of cost per acre from $210 to $500.

In other areas of Canada where the government was considering building airports, it gave the people of those areas extra consideration. It has not given that consideration to the people of Sea Island. If it had given those people what they are asking for and what a judge of the Federal Court and a private appraiser says is reasonable, the problem would have been solved a long time ago. That is a solution for the minister. I hope he will consider it seriously and do something about it.

I do not have much time left. However, there are two other topics I want to mention. One is a motion which I presented to this House on April 16, 1973. It reads as follows:

That, in the opinion of this House, the government should consider the advisability of transferring the Crown lands, commonly known as the Canadian Forces Station Ladner or the Old Boundary Bay Airport, together with buildings thereon, to the municipality of Delta and, in co-operation with the municipality, develop the areas as an industrial-recreational complex of pollution-free secondary industries, parkland, ocean beaches and sports stadia for the benefit of Delta, Richmond and the Lower Mainland and as an example to other medium-sized urban and suburban communities of the value of such a complex.

NDP and Liberal members spoke in favour of that motion. They thought it was a good idea. However, as of this date we do not have any report or study from the government. That was over two years ago. My latest letter from the minister's office is dated February 14. It states:

I will look into the matter you have raised and will be back in touch with you as soon as possible.

That motion was presented two years ago. If the government were serious, it would have solved the problem a long time ago. Studies in that area would have been completed and the people of that area would know what will be done with the land. It is just sitting there. It is vacant and an eyesore to the whole community.

When talking about transport and the awarding of a contract by the minister in the past few days to an American owned company, we raised some questions in the House. When talking about content, we still get conflicting answers. I say to the minister that content is the ownership of the company. If there is a Canadian company, it should have the advantage over an American company when a tender is being considered. Many members opposite agree. I hope the minister will reconsider his answer of this morning and look at the situation carefully. There are people in my area who are out of work because of the switch in the contract. All the profits will be going across the border. I do not see that as the proper way to have things happen.

I will complete my remarks on the subject of air routes. The minister spent a lot of time talking about CP Air and

Air Canada and all the benefits of a government-owned airline over the the privately owned airline. As long as this minister is Minister of Transport, CP Air will continue to be at the low end of the scale. CP Air has suffered ever since this minister took over his portfolio.

The people of western Canada and Liberal members from British Columbia agree that CP Air should have been allowed the new routes into southern California. I know they had a meeting with the Minister of Transport to plead the case of CP Air with regard to those routes. It made a lot of sense for CP Air to have them rather than Air Canada. What did the minister do, Madam Speaker? He walked out. He would not even listen to his own members. If he is asking for positive suggestions, then I suggest he listen a little. The problem with the minister is that he does not listen. Not only does he not listen to the members on this side of the House; he does not listen to the members on his own side of the House.

● (1530)

Until I see a replacement sitting in the minister's seat in this House, I can see no solution to the major transportation problems. We need a minister on that side who is serious about the transportation problems of this country and who works full time on finding solutions to them. I should like to see one of the newer members on that side, perhaps one of the members from British Columbia, placed in the cabinet and put in charge of transportation. British Columbia only has one minister on that side, and that in itself is a slight on a province that elected eight Liberal members. In the last parliament there were four British Columbia Liberal members, and two of them were cabinet ministers. I am not including the member who went to the Senate. He was not elected by the people of British Columbia but was appointed to that place by the government.

I should like to see the hon. member for Skeena (Mrs. Campagnolo) made minister of transport. She is a hard working woman, and it is International Women's Year. My final word is, "why not?" appoint the hon. member for Skeena minister of transport? Then perhaps we will be able to solve some of the transportation problems in this country.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Madam Speaker, I should like to congratulate the minister on his explanation to the House this afternoon of the difficulties that he has encountered in his department, on his sincerity in bringing these problems to the attention of the House some time ago, and on the positive steps he has taken to solve these problems.

At the same time one is left with the impression that his explanations to the House always seem to fall on deaf ears, or else the opposition turn their heads around and do not listen. Or they do as they did a few minutes ago, make catcalls, yelling across the House and not really listening to what the minister says to them. I am sure many of them even do not take the time to read *Hansard* the following day. That is obvious from the comments they have been making.

[Mr. Reynolds.]

Another reason why it is obvious that they do not understand is that they continually make representations in the House on transportation matters, but repeat the same comments time after time. Each member of the opposition speaks as an individual on the problems of transportation in his own constituency. No real policies or concrete suggestions are put forward as to what they would do if they were in a position to do it. The role of the opposition is to put forward good, concrete criticism, not to indulge in personalities or to criticize individual members. It is constructive suggestions that will solve the transportation problems of this country.

I can assure hon. members opposite that the minister is not going to wait for them to make suggestions any longer, since they are all speaking as individuals. They do not come to grips with the problems. The hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) spoke of the problems in his own constituency. Another member from the maritimes spoke of transportation problems in the maritimes, forgetting to tell the House, as the minister pointed out this afternoon, that in all phases of transportation, whether land, sea or air, the maritimes are subsidized to the tune of 50 per cent on all goods delivered. No member on the other side mentioned that because they are afraid it might hurt individual interests in their own areas.

What Canada needs is what the minister says it needs, a national transportation policy for the entire country.

Mr. Stanfield: Madam Speaker, I rise on a point of order. I am sure the parliamentary secretary does not mean to misrepresent the position taken by the minister, but the minister did not say what the parliamentary secretary has just said.

Mr. Guay (St. Boniface): Madam Speaker, if the minister did not say it I should like to tell the Leader of the Opposition (Mr. Stanfield) that I am saying it. He does a heck of a poor job on the other side, and I am saying that too. At times I wonder how he can live with it when he hears all his members speaking as they do. He must have a lot of patience to sit on the front bench and take it all in, but they do not even have the guts to get together and criticize the minister. They do not get together as a Conservative party, a loyal opposition, to tell the House what ought to be done and to make concrete suggestions.

I wish I could continue, Madam Speaker, but my time is also short and I should like to put a few things on the record for the sake of the opposition. I hope that the Leader of the Opposition, along with the members of his party, will continue to listen to me in the manner he did a little while ago. If they do they will realize we have made progress in regard to the meeting which took place in Calgary in 1972. They will know that we are having dealings with all the provinces of western Canada and that some of these current problems will be solved. They cannot be solved in five minutes or immediately after one has made a speech, but I do believe we are making a lot of progress. However, the opposition are blind because they want to be blind. They do not want to see progress. They would like to go the other way instead of up. They are always talking gloom and doom and nothing else. They

love gloom and doom; it is all they ever think of, Madam Speaker.

The main speaker for the Conservative party commenced this debate today. The hon. member for Lisgar (Mr. Murta) is a very good friend of mine, but he said nothing in his speech, from beginning to end, although he took 40 minutes over it.

As the Minister of Transport has said, I too find it most difficult to understand why the opposition gets such pleasure from hurting the domestic and international image of our country's flag carrier.

An hon. Member: Who wrote that, Joe?

Mr. Guay (St. Boniface): I did. Air Canada is not only the top notch international and domestic air carrier, but perhaps more important, it is an air carrier which has been, and continues to be, responsive to the needs of our people. Providing service on uneconomic routes, Air Canada has been a major instrument in maintaining the unity of our country.

In addition, Air Canada has played such an integral part in the development of Canada's transportation system that we often take it for granted. It is such a part of the national psyche that people tend to forget that there is indeed a lot of work behind the scenes, a lot of planning to keep the entire system viable, efficient, safe and economical.

But, Madam Speaker, as in everything else, we cannot implement changes overnight. Hon. members may remember—they often refer to this—what the Prime Minister (Mr. Trudeau) said in Winnipeg before the last election, namely, that Air Canada would build a new hangar at the Winnipeg airport. Since that time both Air Canada and the government have been implementing this project. Plans are well in advance, and construction should start as soon as the site is selected. The current discussions are centred around the fact that the Ministry of Transport's airport people in Winnipeg and planners in the city of Winnipeg are reviewing the impact of other considerations regarding the location of the Air Canada hangar. A decision will be taken soon.

• (1540)

An hon. Member: Equilization in Canada means locating everything in Winnipeg.

Mr. Guay (St. Boniface): If what the hon. member suggests were the fact I would receive that with open arms, and at least we would do better with it than they have.

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

Mr. Guay (St. Boniface): I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) would support me wholeheartedly on that.

An airline's performance should not be gauged on whether it provides one or two rolls for breakfast along with coffee or whether stewardesses wear mini-skirts or slacks. Air Canada has a record of introducing direct services in this country as soon as it is possible to do so. The airline will be introducing more frequent service as warranted by traffic volume. New points will be introduced this summer in the United States and Europe. These will implement international bilateral agreements reached with foreign countries.

Awhile ago the hon. member for Burnaby-Richmond-Delta made reference to certain services that were given to Air Canada and other lines instead of CP Air. I would remind the hon. member of an answer that was given this morning by the Minister of Transport to the effect that there was an agreement reached between CP Air and Air Canada relevant to those services.

An hon. Member: You mean dictated.

Mr. Guay (St. Boniface): They were not dictated, they were agreements. At the same time I would ask the hon. member if he thinks that we should not give anything to Air Canada, the people's airline, or how we could give it to a better service instead? I would point out to everyone that because there was an agreement reached between CP Air and Air Canada we now have an understanding between the two airlines. There is no reason at all for the hon. member for Burnaby-Richmond-Delta, or anybody else, to criticize the airline. Anyone who does offer criticism should have better communications with CP Air and Air Canada before making statements like this.

Mr. Reynolds: Would the hon. member answer a question?

Mr. Guay (St. Boniface): Speaking as a westerner, I am pleased—

Mr. Reynolds: On a point of order, Madam Speaker—

Mr. Guay (St. Boniface): He can ask his questions after my 15 minutes are finished.

The Acting Speaker (Mrs. Morin): Is the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) rising on a question of privilege?

Mr. Reynolds: I rise on a point of order, Madam Speaker. The hon. parliamentary secretary has asked a lot of questions. If he wants to give me a couple of minutes, and I guarantee him I will not take longer, I will give him a clear and to the point answer, which I think is apparent in—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member knows very well this is not a point of order.

Mr. Guay (St. Boniface): I will answer his questions after my time is completed.

Mr. Reynolds: What you have suggested is false.

Mr. Guay (St. Boniface): What I am saying is not false, but you like to make the people of this country believe that it is.

An hon. Member: It is.

Mr. Guay (St. Boniface): We have to tell them the truth, and the truth is that there was an understanding between CP Air and Air Canada.

As a westerner I am pleased to say that there will be a new service from Winnipeg to the John F. Kennedy Airport in New York, and there will also be a new service from Calgary and Edmonton to San Francisco.

An hon. Member: If they are still flying.

Mr. Guay (St. Boniface): Air Canada's safety record, which I would like to touch on, is unquestionably unparalleled by any other airline in the world.

The safety record of Air Canada is similar to the safety record of the CNR, which does have the best safety record of any railway in the world. It is often the case that members of the Conservative party, like the hon. member for Winnipeg South Centre (Mr. McKenzie), seem to get some kind of sadistic satisfaction from continually accusing the airline in respect of its safety performance. What amazes me is the fact that people like that hon. member continue to paint the worst possible image of our country's flag carrier when he has not even taken the time to accept an invitation to inspect Air Canada's servicing facilities and to question on the spot the people responsible for servicing the aircraft.

I cannot and will not accept this as constructive criticism, and I certainly cannot accept it as a means of furthering our aviation interests around the world. If the hon. member for Winnipeg South Centre finds, for some reason, that he must continue to decline invitations to visit and be briefed on Air Canada's maintenance facilities, then I suggest he should read the magazine called "Aircraft Engineering" of last November, which had a seven-page article about Air Canada under the heading "The Airline That Knows What Maintenance is All About".

Air Canada's transport air safety division is currently working on some 60 safety research projects. These range from wake turbulence from large jetliners to fire resistance of aircraft interiors. This has enabled the ministry to feed back to the aviation community the information derived from these studies, investigations and research. Such feedback has met with some strong favour from commercial and private pilots in Canada.

Air Canada has an inspiring flying record of safety, a record which matches our strict and stringent regulations. When it comes to air safety, this is one case where we put all our eggs in one basket. We are not scrimping on this one; we are not looking for ways to save a dollar here and a dollar there. Safety is expensive and it must be, because we want the very finest navigational aids, the best equipped airports and the best trained pilots. I am almost finished.

The Acting Speaker (Mrs. Morin): Order, please.

Mr. Guay (St. Boniface): It would take too long to enumerate here all the projects and all the money being spent in this country—

The Acting Speaker (Mrs. Morin): Order, please.

Mr. Guay (St. Boniface): —to promote, upgrade and maintain safety standards—

The Acting Speaker (Mrs. Morin): Order, please.

[Mr. Guay (St. Boniface).]

Mr. J. R. Ellis (Hastings): Madam Speaker, keeping in mind his own statement that "transport is in a mess" in this country, I think it is time a number of specific questions were asked of the Minister of Transport (Mr. Marchand). Answers to these questions will likely be few and far between if we are to judge by previous standards.

The whole realm of transportation could easily be said to need scrutiny, but I intend to limit my inquiries almost entirely to the problems of rail transportation. How the minister can allow a railway system which literally built this country to deteriorate in prestige, as it has, is beyond me. Even given the best of management, the government-owned railroad, the CN, cannot function without a clearly defined transportation policy. Railroads which are not government owned, such as CP and others, while not as reliant on this policy are also finding it extremely difficult to operate.

I have heard in the few years I have been here constant references to our transportation policy. Not yet, however, have I been presented with a single document which might possibly be construed as this proposed policy. Even a single step in the right direction might be cause for some hope. Just determining where to start may be, I suppose, a major problem. Another major problem I suggest might be whom to start with, as never have I encountered so many department heads, experts, chiefs, deputies, or whatever as were in attendance at the standing committee on transport yesterday. Even at the rate paid to MP's, and I am sure it easily exceeds that, it would cost well over $1,000 for the one hour that committee sat.

Some of my most serious questions to the minister over the past few years have concerned safety. Each year as the reports come to us from the Canadian Transport Commission the incidence of derailment increases. Going with this, hand in hand, are the frightening statistics in regard to deaths and injuries at level crossings of various kinds. Some of these are necessarily the result of outright carelessness on the part of pedestrians and motorists. What is of importance is the fact that a fully responsible transportation policy would eliminate all such crossings. Only in this way can we prepare for high-speed trains, such as the Turbo, that are surely essential in Canada. Realizing this, one would expect and hope that this simple portion of the policy might be presented. This and several other minor portions of policy would provide a glimmer of hope for things to come. How can we have any hope so long as these easy items are left unattended.

● (1550)

I have questioned the minister also on other types of accidents. Some of these involved fatalities and other serious injuries. To repeat all of them now would take far too much time. I only wish to make a few simple suggestions. Let us have some direction from the minister to the proper departments with regard to the basic standards acceptable in the maintenance of way. Let us have some direction from the minister with regard to safe levels of axle loadings on freight cars. Let us have some direction from the minister with regard to employee training and standards of conduct.

Only this one brief reference will I make to the report of the CTC of Tuesday last. Very seldom is a report such as

this issued as quickly as this one. Even when such speed is used I have never known of a report like this to be issued prior to a coroner's inquest. Yet in this case it was brought out exactly a week prior to the inquest. One of the most tragic accidents to occur recently is covered in this report. Until the inquest is completed I must necessarily hold my comments and I suggest the CTC might better have done likewise.

I feel that Canadian rail safety standards are years behind those in many other countries and, in my opinion, this situation has been created by a lack of initiative and direction on the part of the federal government. If this same government ever comes up with a reasonable way to ensure that the railways will run for a full year without interruption, that there are enough rail cars to deliver all of the grain and other products we have contracted for, we will surely need to have our safety standards improved to do the job properly.

In addition to the question of safety I would like to spend a few minutes on suggestions, or questions as you will, with regard to rail passenger lines. Again, in a country where a railway was the instrument of birth, we seem to have long since lost any initiative we may once have had. Canadian travellers have been plagued by increasing costs, an increasingly poor quality of service and, in general, are now substantially subsidizing a transportation system that operates contrary to the public interest.

It is common knowledge that the swift, safe movement of people in an economic manner is still best done by rail. Why then have we not high speed corridors, free of grade crossings between our major cities? Why are we continuing to use fossil fuels when the one source of energy Canada has in abundance, electricity, either hydro or nuclear generated, is so obviously a better choice? If the turbo has been proven, why are we not providing more of them for other runs? If not the turbo or perhaps the LRC, why are we not either developing our own technology or looking at foreign examples of high speed transit? With outmoded passenger facilities, poor service, poorer schedules is it any wonder that the lines are not profitable?

We are spending a huge sum of money on the STOL system from Ottawa to Montreal. As an experiment, I suppose I cannot argue, but as a long-term system there is no question in my mind that, given the same funds and backing, the railways could beat it every way—speed, service, economy, fuel savings, reliability. We have seen evidence in the United States of a resurgence of passenger rail traffic under its Amtrak system. That country, with all its industrial genius, is using the turbo and a turbo-powered train imported from France, as well as conventional equipment. We do not need to set up a separate operating service. The CN is government-owned and, given proper direction and guidance, is completely capable of carrying out a government policy. Which, of course, brings me full circle.

In Canada we have the need, the desire, the technology, the ability, in fact all of the ingredients to be a leader in rail travel. What is needed, as I have said and I am sure my colleagues will repeat frequently, is a decent transportation policy. We do not have one now and will not have until we have a minister who is prepared to tackle the job properly. In any organization to do this you must start at the top and shake up the whole works. By the time you get to the area level such as Rideau area headquarters in Belleville you will soon find that these people, who are hard working and conscientious, will take their example from above.

My final question begs the obvious answer. Given the example we have seen in the House of Commons recently, is it any wonder that transportation is in a mess?

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I welcome the opportunity provided by the official opposition to discuss transportation as it refers to the maritimes in particular. Before proceeding further I should like to say why transportation is an issue of great concern to South Western Nova. My constituency is probably the greatest distance from Halifax and any other points in the maritimes on a time basis. This is one of the main reasons why we need a good transportation policy. It is absolutely necessary in the southern end of Nova Scotia to have ferries in order to reach our Canadian and United States markets by the most economic and fastest means available. I should like to mention the various industries pertaining to Nova Scotia at this end of the province.

In my constituency the fishing industry is probably the one element that is of prime concern to all of us. We have the highest value of fish landings of any area in Canada. This involves mainly lobster and other fresh fish. There is the problem of getting these products to the Canadian as well as the United States markets. Boats are required in this area. There are five particular ferries.

Before touching the subject of freight rates I wish to point out some of the areas in which the Ministry of Transport has been working in the last few years. I shall mention Digby, and point out that in 1971 a new Department of Transport wharf was built in order to facilitate the loading of boats with front and rear-end loading. Along with this the Department of Transport has maintained another wharf to facilitate the loading of freighters which carry pulpwood and more recently fish. This wharf not only brought a new boat to the area but in December, 1974, the Department of Transport bought the boat from the CPR, and since December 1974 the *Princess of Acadia* has been under the transport ministry.

I should add at this time that the people of the area are very happy with this take-over. For years they felt that there should be a more impressive service than that which they have had, a service that would be more in line with the cost of fares and in line with the other maritime ferry service. This is one area in which I believe the Ministry of Transport can play a vital role. The department has taken this lead already in respect of the purchase of the *Princess of Acadia*. I might also point out that the department maintains a wharf which is accessible to freighters which come in there.

Now I should like to turn to the Yarmouth area of my constituency. A new Ministry of Transport wharf has been under construction at Yarmouth since the beginning of this year, with an estimated value of $2.1 million. It is expected that this will be finished and in operation in the spring of 1976. This wharf will help carry the burden of

handling the existing three ferries which come into the town of Yarmouth. One of the ferries is operated by the Canadian National under the Ministry of Transport. This ferry, called *The Bluenose*, is of great concern to the area. The *Bluenose* has been there for 17 years, and it is hoped that a larger boat might be available to handle the tourist traffic in the summer, and the truck traffic during the remainder of the year. Until now this service has not been quite adequate for the amount of traffic.

● (1600)

Now I would like to make a few comments about the tourist industry. The transportation policy at that end of the country brings a lot of tourists to the maritimes. This is probably the most convenient gateway from the United States, Ontario and Quebec to the maritimes.

Some hon. Members: Hear, hear!

Miss Campbell (South Western Nova): I hope the hon. members who are applauding over there will come to visit us and thus help the trade in our area.

I would also like to point out that in my area there is much lumber. Many Christmas trees are cut down to be sent to the United States. For this industry we need a good truck ferry in the area.

Another way in which the transportation policy has been good to our area is in the erection of the DOT building at Yarmouth which was completed in 1972. Also, for the first time, Air Canada has provided a one day service between Halifax and Yarmouth and return, so that now we can go directly to either Montreal, Toronto or Ottawa within about four or five hours, which was once unheard of. If we leave the area at four or six o'clock, we can be in Ottawa at nine o'clock or ten o'clock. It is anticipated that we will soon have a direct route from Yarmouth to Halifax, and thus avoid having to go by way of Saint John. I would like to say that in these areas the transportation policy of the government has been of direct benefit to the maritimes.

Now I would like to say a few words about freight rates and discuss a subject to which I am sure my colleagues will take a negative attitude, which might produce more harm than good in the maritimes. The Minister of Transport has gone on record as saying that the National Transportation Act is not acceptable. We would like to see transportation used to stimulate the economy. It will be necessary to introduce, perhaps through the CTC, some degree of rate control to avoid discrimination in the freight rate structure.

Some hon. Members: Hear, hear!

Miss Campbell (South Western Nova): I am sure that opposition members will recognize the fact that that is the policy of the federal government. The government, through the Minister of Transport, is working on such a policy and hopes to unveil it by late spring.

Now I would like to say something about federal-provincial consultations. We have a federal-provincial committee for Atlantic region transportation which the Minister of Regional Economic Expansion (Mr. Jamieson) set up in 1969, shortly after introducing the Atlantic Region Freight Assistance Act in the House. I would like to review some of the major recommendations that this committee made to the government, and the government's response to those recommendations.

One of the first major recommendations was for the introduction of a temporary trucking subsidy for intraregional traffic, to come into effect during the phasedown of the intraregional rail subsidy. The basic idea behind this proposal was to place the trucking industry on a competitive basis with the railways while the intraregional subsidy program was being phased out. This recommendation was accepted by the government and has been very effective in strengthening and building up the trucking industry in the Atlantic region.

More recently the federal and provincial governments have worked out a way of extending the westbound subsidy for rail and truck traffic to a level of 50 per cent on a selective basis. This was a first attempt at introducing selectivity into a direct subsidy program, and I think it is a tribute to our consultative mechanism that this was done with a high level of agreement between the government and the provinces concerned.

This program is beginning to show results, and we have seen examples of Atlantic region manufacturers who have attributed an increased penetration of central Canadian markets directly to this program.

I would like to quote from page 2 of the March 4 issue of the Halifax *Chronicle-Herald*. The headline of this article reads, "Transportation Costs 'Are Often Used as Whipping Boy' ". The article reads in part:

> The effects of transportation costs on manufacturing industries in a region are "blown out of all proportions" on many occasions, Development Minister George Mitchell told the legislature last night . . .
>
> The results of the study revealed it is "cheaper" to ship to practically any market in Canada from Sydney, than it is to ship from the Vilas plant outside Montreal, Mr. Mitchell said . . .
>
> Mr. Mitchell said such a situation exists due to the 50 per cent rail subsidy that has been successfully negotiated by the government, and "which clearly removed most arguments with respect to freight rates".

Then he points out the differences in prices and costs, and goes on to say that people who have a hasty, unresearched and negative manner sometimes do more harm than good to a province such as Nova Scotia.

Now I should like to return to some of the recommendations of the committee. The Department of Regional Economic Expansion, jointly with the four Atlantic provinces, established a physical distribution advisory service in Moncton designed to help the small shipper solve his total transportation problems, including such things as choice of mode, inventory control, warehousing, etc. So often in the past consultants have come to the area, done a good job, and taken their expertise away with them. We have in this organization the beginnings of a permanent source of expertise which will be of great value to local businessmen.

Again through this committee, a regional position was established on priorities for air services to and from and within the region. This was a significant input to the recent CTC inquiry on that subject.

In terms of total funding, the direct subsidy money paid under the Maritime Freight Rate Act and the Atlantic Region Freight Assistance Act has increased from $14.8

million in 1969 to $36 million in 1974. The full impact of the new selective westbound subsidy is not included in these figures, but it is expected to add a further $3 to $4 million in 1975.

Now I would like to direct the attention of hon. members to a meeting which was held in the Atlantic provinces in mid-January after the subsidy was dropped and freight rates went up all across Canada. This brought uniformity across Canada, and yet the maritimes retained their selective list of the 50 per cent subsidy on any product going west. At that time the Minister of Transport, in his statement in Halifax, mentioned that perhaps this might result in hardship in the area. However, he allowed for the fact that anyone suffering hardship could approach the provincial governments for assistance.

I hope that the effects of the lifting of the subsidy will start levelling out. Perhaps manufacturers in the maritimes will start filling the containers instead of sending them out half filled. Perhaps the advisory group in Moncton will assist them in this. Perhaps one should ask oneself where the money which previously went for the subsidy will now be directed. Perhaps the maritimes will put it into industry.

Having described to the House how the Department of Transport's policies have helped my constituency in the last few years and having spoken about the freight rate system, since I have some time left I would like to enumerate the major capital projects to which the department is committed. I will just read some of the highlights.

● (1610)

In Newfoundland the government plans to spend $19 million during the new fiscal year. The largest amount, $9.5 million, will be spent upgrading and developing terminals at Port-aux-Basques. The government will spend $2 million at the Goose Bay airport, nearly $1.5 million at the St. John's airport and $1 million toward a terminal at Cornerbrook. It will also spend $3.5 million toward the National Harbours Board terminal at St. John's.

In Nova Scotia the government will spend $8 million; $3.5 million of this will go toward adding facilities at the Halifax airport and another $2.3 million will go toward upgrading the terminal in North Sydney. This does not include, of course, the new wharf at Yarmouth.

In Prince Edward Island the government has earmarked half a million dollars toward the development of a new ferry terminal at Wood Islands. In New Brunswick it will spend $10.8 million during this fiscal year. The largest sum, $4.6 million, will go toward development of the Rodney terminal at Saint John, the estimated cost of which has been set at $37.5 million.

At Moncton the government will spend $2.5 million toward the construction of a new area control centre and related facilities to ensure air traffic safety. It will resurface and rebuild runways at Fredericton to the tune of $1.2 million, and in Saint John it will set up a harbour radar and collision avoidance system.

We are all aware of how important transportation is for the Atlantic region, placed as it is so far from its major markets. One might assume that if transportation had not been working well, there would have been a marked deterioration in conditions in the area over the last few years. Let us, however, look at some of the things which have been happening in the region. Disposable personal income—

An hon. Member: Order.

And hon. Member: Time.

The Acting Speaker (Mr. Penner): Order, please. I regret to interrupt the hon. member, but the time allotted to her has expired.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, this afternoon I want to touch briefly on some aspects of air and marine transport and some of the labour relations factors which in my opinion are hindering the viability of these important sectors of our transportation.

First I would like to suggest sincerely that there are many areas in transport that the government has been less than frank in disclosing to the public, and to hon. members of this House. There are many areas which need to be exposed by means of public inquiries, or at least referred to parliamentary committees, but so far the government appears to be more interested in covering up its own ineptitude than in corrective action.

I want to speak for a moment about Air Canada and the answer of the Minister of Transport (Mr. Marchand) to the hon. member for Vegreville (Mr. Mazankowski) on March 5, when the latter asked about the matter of Mr. Yves Menard's resignation from Air Canada. The Minister of Transport replied in the manner of the late Will Rogers that all he knew was what he read in the papers. He went on to say that the president of Air Canada was making an inquiry into the matter.

We in the opposition would like to know when the president of Air Canada and his capabilities will be the subject of an inquiry in this chamber, in view of the various difficulties facing this once efficient and respected airline.

Since we are speaking about Air Canada and the departure of one of its vice-presidents, I want to raise another matter, and I do so reluctantly, but I want to make it clear that I checked with Air Canada this morning in an attempt to get an answer. I have before me, and I will table it if requested to do so, a confidential interdepartmental letter to Mr. G. J. Kendall, assistant treasurer corporate finance. It is directed to this gentleman and is signed by the treasurer, Mr. H. N. Seath, and it states:

> This is your authority to arrange for a cheque to be drawn as follows:
>
> Date: March 11, 1974.
>
> Payee: P. J. Chartrand
>
> Amount: $12,110.70.

The letter goes on to say:

> This cheque should be charged to suspense and will be cleared by March 15, 1974.
>
> The cheque is to cover an advance on a second mortgage transferred from Mr. Chartrand to Morguard Trust Company. Authority for this transaction was provided by Mr. Pratte in his letter of March 14, 1973 to Mr. Chartrand.

This may be a perfectly innocent transaction. I do not know; it may be, but I would like to raise the question in

this chamber of what justification there is for this sort of accommodation, if that is what it is, to a highly placed executive in our national airline. It may be perfectly innocent, but one has to ask whether this is, prima facie as we say in the legal profession, a good thing and something which would be available to the ordinary employee and, as far as that goes, to other employees in the operational or managerial levels of Air Canada? It is obvious that this type of financial service is not necessarily a good thing, and I would hope that this can be explained, and will be explained by the minister.

I suggest that our airline has become a refuge for many highly paid people who are not really necessary for its efficient operation. It has around 22,000 employees, twice as many, for example, as North West Orient Airlines of the United States, a company of comparable size. However, on the operations level where the work is done, Air Canada is often understaffed and its employees are asked to work longer hours than they would prefer. Its labour relations are abominable.

When the Canadian Airline Employees Association sought, for example, to take action a while ago against Air Canada because of a legitimate grievance, the Minister of Labour (Mr. Munro) sat on CALEA's request pursuant to section 148 of Part V of the Canada Labour Code, for such a long time that the solicitor for CALEA was compelled on September 27, 1973, to write the following letter, part of which I quote:

> The application for the minister's consent was filed on May 30th, 1973 and as you will recall, remained in the hands of the minister for a considerable period of time, a formal consent being received in this office on July 27th, 1973. It is perhaps more than coincidental that by the time the consent of the minister was received, the time prescribed by the Canada Labour Code for filing a complaint with the Board had expired.

The attitude of Air Canada from a labour relations point of view is terrible. So is the record. A partial list of labour disputes Air Canada has had in the past couple of years would indicate, briefly, that, in 1968 there was a work to rule; in 1969 there was a strike; in 1971 there were rotating strikes by the International Association of Machinists; in 1971 the CALEA people had a work to rule; in 1973 there was an 81 day strike in the finance division in Winnipeg; in 1973 there were rotating strikes by IAM again; in 1974 there were rotating strikes again by CALEA; in 1974 another wildcat by the IAM.

Also there have been continuing problems with CALPA and CALFA which have not resulted in strikes yet, and I emphasize yet. The situation at the finance branch at Winnipeg, as hon. members on the government side know, is chaotic, to put it mildly. There is approximately 100 man years of labour backlog of work required to clean up the situation, and in the meantime the computer capability of Air Canada is very badly fouled up, to say the least.

I have here a comparative balance sheet of assets and liabilities, another so-called confidential document which will be tabled in due course later, I presume, and there is some very interesting data on this as well. For example, looking at it we wonder why the accounts receivable have gone up from $102,278,000 in 1973 to $127,290,000 in the comparable period in 1974. There may be a perfectly logical explanation for this, but it is $25 million difference. The bank loan, on the other hand, was shown as $26 million in 1973. There is no trace of it in 1974, leading one to assume that it must have been put into the long term funding, which has gone up by over $200 million.

The unearned transportation revenue has gone up from $27,280,000 to $44,402,000. All this is going to make very fertile questioning areas in committee if we ever get these people into committee, and if it is possible that a proper audit can ever take place of Air Canada's operations.

The situation is so bad that it almost defies belief as far as the finance situation is concerned. I have interdepartmental correspondence here which indicates, for example, that there is an account which usually has a balance of $25,000 to $50,000. This is an account usually used in dealings with other airlines and what they call an OAL account. Yet in correspondence between Mr. J. C. Looney, manager of the interline accounting in Winnipeg and Mr. R. F. Kirby, manager of passenger accounting, dated late last year, the following excerpt appears:

> This account normally has a balance of $25,000 to $50,000.

However, the letter goes on to say:

> Therefore, the average balance in this account in the latter part of 1973 rose by about $10 million and at year end was some $14 million higher than normal.

● (1620)

> During 1974, the account balance dropped significantly because OAL exchanges on hand but unprocessed were not accrued until the November 1974 month end.

The letter goes on to say:

> This backlog has resulted in significant delays in billing other airlines. The balance in this account was in excess of $19 million in October, 1973 and as at November 30, 1974 was $10 million.

This is the part that is shocking where the letter says:

> The cost of late billing is estimated in excess of $1 million using a 10 per cent interest rate . . .

That is $1 million that is directly attributable to the deficit that this airline has incurred simply because it was not capable of collecting its accounts receivable. If that would not be cause for the resignation of the people responsible for the situation in the management of Air Canada, I do not know what would, Mr. Speaker. Surely the Minister of Transport must exercise more guidance over the various components of this department than he has done to date.

Anyone who has followed the progress of the SIU—and I am going to speak about the SIU here because it is related to marine transport and is a very important union—as it supposedly valiantly seeks to reform itself, must be disappointed at how long this is taking, particularly in view of the revelations on the front page of the Toronto *Sun* and other newspapers today. The Minister of Labour (Mr. Munro) recognized that there may have been difficulties affecting the rights of union members from abuses perpetrated by their own union, but it seems to me he was slow to do anything about it.

The attempt by Mr. Gralewicz, president of the SIU, to sabotage a speech given last night by a former vice president, Mr. Lazarus, indicates that perhaps he is not the finest example of a sympathetic enlightened union leader, particularly when one considers the material that is available to document this. It would by superfluous to put on

the record at this time the many newspaper stories detailing particulars of the abuses within the SIU, yet members have to sit here every day and listen to platitudes. One such platitude was advanced by the Parliamentary Secretary to the Minister of Labour (Mr. MacGuigan) on December 19 in reply to a matter I had raised. He quoted from the final report of the trustees who had to take over the operations of the SIU a decade ago, as follows:

> The undemocratic union practices of the past no longer prevail and the individual rights of seamen are sufficiently well protected both in law and in practice.

What rubbish, Madam Speaker, when well known underworld figures are associated with the SIU, when a former vice president calls for a probe of the organization of the SIU charging beatings, and rigged votes, when the province of Ontario has made a similar request, when private investigators are hired by the union and presumably paid for by union dues to shadow dissident members. It is interesting to know that the price is not right because the SIU recently raised its dues, presumably to pay for the extra overhead. How much longer are the Minister of Transport and the government going to procrastinate before they call for an inquiry into this whole matter?

There is something else I should like to touch on briefly and about which the minister and I have had some dialogue already, that is, the Desjardins report. Madam Speaker, I deplore—and this is only my own submission which I do not suggest has any special weight—the way the terms of reference for Mr. Desjardins were set out. As I have already stated they required, among other things, that the investigation should not be subject to the customary rules of evidence nor evidence taken under oath, and that the investigation should not be conducted by means of public hearings.

I indicated to the minister that I would make some comments about the report itself and there are a few things that I should like to bring to his attention which, if they are true, certainly shock me. Although this report is dated July 30, 1974, the submissions of the Laurentian Pilotage Authority made to Mr. Desjardins do not necessarily follow through on this particular date.

The submissions of the LPA through Mr. Guy Major, were dated August 1, 1974, and supplemented on August 15, 1974, as indicated on page 2 of the report. That is to say these submissions appear to have been made after the report was written.

The submissions of the St. Lawrence River Pilots Association were made on July 30, 1974, and supplemented on August 2, 1974, according to page 3 of the report. Again, it appears submissions were made afterwards. Notwithstanding any observations about the propriety of this course of action, the submissions in support are well out of the time set out in the Pilotage Act, section 14(4), namely 30 days following publication in the *Canada Gazette*. I would point out that publication in the *Canada Gazette* took place on May 18, 1974.

These observations are rather disturbing, at least to me, and I hope the Minister of Tranport will consider them in due course because they seem to indicate that the report is not as bona fide as it should be. It is strange that it follows almost immediately upon an identical report under the same terms of reference made by Mr. Marler which came to an opposite conclusion.

One of the big difficulties about Crown corporations which come under the Minister of Transport is that they are reluctant to supply the type of information that is readily available from private corporations. I was told by a very reliable person who was participating in labour negotiations with PWA that they, PWA, are more frank in disclosing certain information than is Air Canada. The anti-labour bias of Air Canada is well known to anyone who has more than a fleeting knowledge of what goes on in it.

What this country needs, is for the government to have enough integrity to look into the obvious sloppy practices, complacency and carelessness that has permeated a great deal of its operations.

It is time that the people running this country made a commitment to honesty, and changed their priorities from doing anything to remain in power to justifying their continuing in office.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I understand that a number of members still wish to speak so I shall co-operate by taking less than half the time that is allotted to me. I rise in this debate on the operations of the Department of Transport to register once again my complaint that the department is so slow in doing something effective about the pensions of retired railway workers, especially Canadian National and Canadian Pacific.

I recognize that in recent negotiations between employees and management the question of the terms and conditions of the various railway pension plans has been put on the bargaining table. But the discussions that take place in collective bargaining regarding railway pensions relate only to pension arrangements in the future for those now working. There is no way in which the plight of those already retired gets to the bargaining table when negotiations take place between railway employees and railway management. In my view that is where the government has to step in, Madam Speaker.

I do not think it is good enough for the Minister of Transport (Mr. Marchand), or others in the cabinet, to mouth repeatedly the proposition that the Canadian National must be left to run its own show and that we do not own the Canadian Pacific Railway. These are both public institutions and are responsible to the people of Canada. I think the federal government has an obligation to say this to both these major railways, and to others like the Northern Alberta Railway and the Ontario Northland. The people of Canada want all of their retired railway workers to be given a better deal.

● (1630)

I recognize also that the Minister of Labour (Mr. Munro) some months ago appointed Dr. Noel Hall as a commissioner to go into all aspects of railway pensions. I therefore have reason to believe that when Dr. Hall makes his report he will have something to say about railway pension plans so far as they affect those still working, and also that he will have something to say about the plight of those who are now retired. But somehow or other reports

of commissions seem to take some time to come forward and I do not think it is appropriate for the government, Canadian National or Canadian Pacific, to stall just because Dr. Hall has not made his report.

Let me say in particular that, after much effort over many years, we were able to convince Canadian National that it should escalate the pensions of those already retired by 2 per cent each year. Last year, in 1974, Canadian National did better and escalated pensions by 4 per cent. But that escalation was still far below the actual rise in the cost of living. So far, in 1975, Canadian National has not escalated its pensions at all. I do not accept the excuse that the Hall report has not come forward. Whatever the Hall report will say will deal merely with matters of detail.

I think Canadian National should now be providing a 1975 escalation in the pensions of those already retired. That escalation should be in the order of at least 10 per cent, which was the increase given to retired public servants, retired members of the RCMP, retired armed forces personnel, and so on. That, also, represents roughly the amount of increase in the old age security pension, the guaranteed income supplement, war disability pensions, war veterans allowances, and so on.

The fact that many of these pensions and allowances which come under the aegis of the government have been increased makes one point clear. The government, having recognized the need to escalate pensions after retirement in those other areas mentioned, should carry that thinking through and say to both railway companies that they must do it, too.

I look forward to the publication eventually of the Hall report. I hope it will be a good one; I dare to believe that it will be. But I submit that action should be taken now to increase immediately the pensions of railway workers already retired.

I shall say another sentence or two, and then sit down. Another issue which must be dealt with in terms of railway pensions is the percentage of the pension paid to the widow. The idea that if the husband lives on, his wife having first died, he can get the full 100 per cent pension, but that if he dies his widow must get by on a 50 per cent pension belongs to a bygone age, to an age which existed before International Women's Year.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I suggest that the rate of the widow's pension should be increased. It may be too much to hope that the rate will go up to 100 per cent very soon, but, at least, it ought to be increased to 60 per cent or 75 per cent right now. I have time for one more brief sentence. I agreed to keep my remarks brief. I plead with the Minister of Transport to act on the important issue of getting an increase in the pensions of railway workers already retired, and that he do so right away.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, if I may answer the hon. member who just resumed his seat, I hope, before too long, that we shall be able to take positive action along lines he has suggested. Hopefully, before long, we can bring about improvements in the area about which he is concerned.

[Mr. Knowles (Winnipeg North Centre).]

I want to comment briefly on the remarks of the hon. member for Central Nova (Mr. MacKay). He criticized Air Canada. He quoted a couple of letters. I suggest that he could obtain his information more readily in the committee considering estimates. He quoted excerpts from two different letters. He suggested that there may be an answer to the points he raised, and then said that there may be an explanation for the fact that the bank account stood at $102 million two years ago, but that now it stands at $127 million. I am sure there is an explanation. The hon. member insinuated that there is no satisfactory explanation. He raised the question but not in the appropriate place. I am sure he is anxious to learn the correct answer.

An hon. Member: What's wrong with hearing it in the House of Commons?

Mr. McIsaac: Most of the matters he raised can be raised in the committee considering estimates. I am sure that he will be able to get answers in committee. I am only questioning the insinuations and the context in which he raised these questions. He, and others, have criticized Air Canada without being specific and setting out the detail exactly of what they find wrong. If people have criticisms of Air Canada, it is about time for them to be specific, to let us know what they are talking about and say what they are criticizing.

We heard similar insinuations and innuendos aimed at this government's transportation policy. I was particularly disappointed and disturbed to hear a western member of parliament, the hon. member for Lisgar (Mr. Murta)—

An hon. Member: A western member?

Mr. McIsaac: Yes, a western member—launch an unjustified attack on the Ministry of Transport and, indeed, on the minister himself.

Mr. Munro (Esquimalt-Saanich): That is what this whole exercise is all about.

Mr. McIsaac: No Minister of Transport has done more—

Mr. Munro (Esquimalt-Saanich): He has done nothing.

Mr. McIsaac: —to deal with transportation problems in western Canada. The minister has done more than any other minister of recent years, including any minister who was a member of the party opposite when it was in power.

Mr. Murta: You are having a hard time saying that with a straight face.

Mr. McIsaac: I was disappointed to hear a western member make that attack.

Mr. Murta: When is he going to western Canada?

Mr. McIsaac: The minister has been there. The hon. member is well aware of the progress made in delineating and resolving transportation issues in western Canada—

Mr. Murta: Hogwash!

Mr. McIsaac: —since the WEOC conference.

Mr. Murta: What have you done? Nothing.

Mr. McIsaac: I know that hon. members opposite, and on all sides of the House, have a great tendency to exaggerate. At the same time I suggest that they underestimate the complexity of transportation issues in this country. I find it difficult to understand that western members particularly do not know that five meetings have been held since the end of the WEOC conference.

Mr. Murta: Will you repeat this on Monday?

Mr. McIsaac: I want to tell the hon. member about the five meetings held by the minister and the four western ministers responsible for transportation. Five meetings have been held in Calgary since the WEOC conference. The ministers met five times officially as a ministerial committee. A subcommittee has been established of officials from all four prairie governments and the federal government. It has met, I am informed, a total of 21 times since the conference.

It may interest hon. members opposite to know the items which have been discussed. They include rail cost disclosure. Some hon. members opposite, I believe, were on the committee which dealt with that. They also include the question of rate groupings, the highway strengthening program signed by the four western provinces since the conference, the western northland highway program, which involves highways going to northern Canada and across the western provinces. Agreements regarding the programs just mentioned have been signed, or in some cases are ready for signature.

The Committee also dealt with the problem of British Columbia ferries, the problem of the development of the port of Churchill—

Mr. Munro (Esquimalt-Saanich): Were B.C. ferries discussed?

Mr. McIsaac: Yes, B.C. ferries have been discussed at various meetings.

Mr. Munro (Esquimalt-Saanich): They may have been discussed; but what did you do?

Mr. McIsaac: As well, the committee discussed the problem of access to the port of Vancouver, something which is crucial to British Columbia and other parts of Canada. Branch line abandonment in western Canada was also dealt with—

Mr. Murta: That has always been one of our problems.

Mr. McIsaac: I agree. It has been sitting on the shelf all these years.

Mr. Murta: For at least 12 years.

Mr. McIsaac: It was on the shelf when hon. gentlemen opposite were in power, and it stayed on the shelf for a number of years afterwards.

Mr. Knowles (Winnipeg North Centre): And it still is on the shelf.

Mr. McIsaac: It stayed on the shelf because the people involved did not want to get down to business, deal with the issues and find the facts. That has been done.

● (1640)

The committee that arose as a result of the WEOC conference is dealing with a formula for examining those branch lines in western Canada. This formula is acceptable to the four provincial governments involved. That is certainly progress when it comes to dealing with that particular area.

The establishment of a mechanism of consultation between the federal government and the four western provinces is one of the key developments of the WEOC conference of a year or two ago.

An hon. Member: What are they complaining about?

Mr. McIsaac: They are not complaining. You are not hearing complaints from the four western premiers and their ministers insofar as the Minister of Transport (Mr. Marchand) and transportation policies are concerned. They are sitting down and talking about the issues rather than standing up and haranguing, as members opposite have been doing for many months. Communiques from the western premiers and press statements from them are available to members opposite. They certainly have enthusiastic praise for the Minister of Transport and for his sincere effort to deal with the problems of transportation in western Canada.

I can quote some figures. Members opposite are not paying attention. Obviously they do not want to hear the facts. The northwest rail program in British Columbia involves an expenditure of well over $100 million. The Ashcroft Clinton has already been referred to; there was also the development of the port of Prince Rupert, various terminals on the west coast and a number of other things which could be mentioned to illustrate the fact that progress is being made, even though many members opposite missed that fact.

With regard to the question of air policy, there has been a very definite provincial input into domestic air operations. There have been discussions with the governments of Manitoba and Saskatchewan with regard to development of a third level air carrier and third level air service. That information is in the hands of the two western provinces. The federal government has made that information available to those two provinces. I am sure that before very long there will be an air service in operation as a result of federal initiative and assistance.

I referred to the fact that we now have cost disclosure of confidential cost data from the railroads. This was made available to the provincial governments for the first time last year so they can seek to determine the rightness or wrongness of freight rates for various commodities in their provinces. That came about entirely as a result of the WEOC conference in Calgary. Legislation introduced earlier this session confirms that that process is there today. It was not there for 100 years.

Just the other day the Minister of Transport forwarded to the western transport ministers copies of CN and CPR quick cost formulae to enable those in the provincial offices to look at railway costing procedures on various commodities that come to their attention. That is the first time this type of data has ever been released, let alone to the provincial governments. I say again, it is about time

this was done. It is now forthcoming. Information is available to the provinces to enable them to assess better the kinds of policies and programs the various regions in Canada want to see the federal government bring forward.

The provincial officials have met with the CTC a number of times to discuss the more technical aspects of analysing this cost data. There has been a great deal of progress in that respect. By the same token, the western provinces, and I am sure this will also hold true for other provinces, are now providing the federal government with confidential information on trucking cost data and other material which up until this time has been almost completely within the provincial field. This is the kind of co-operation we have now. This progress has been as a result of the WEOC conference and the federal-provincial committee set up following it.

The entire consultative progress is a very essential first step if we are going to develop a rapport with the provinces, the agencies involved, the shippers, the suppliers and the people using the service. If we are going to develop policies for the various regions of Canada we must have this honest and open exchange of information and, Mr. Speaker, we are getting that.

The third major area of progress since WEOC is in the formulation of studies. I will be the first to admit that progress on some of these studies has been a little slow. However, the mere fact that some of them are being undertaken jointly with the provinces indicates ample progress. Some of these studies will be undertaken before very long. They will deal, for example, with new methods of setting freights rates for western Canada. If they prove worthwhile, they will apply to other areas of Canada. The pricing impact study, rail roadbed cost study and joint track usage study have been talked about for a long time without their feasibility having been determined one way or another.

I wish to refer to the 22 anomalies which were raised not too many days ago in the transport committee. The entire list of 22 anomalies was presented to the federal government. They have been rectified in the sense that they have been categorized. The different kinds of anomalies have been sorted out. These anomalies will be analysed and dealt with. If necessary, there will be legislative changes.

In conclusion I wish to quote from a press clipping that appeared in the February 26 edition of the Saskatoon *Star-Phoenix*. The headline is "Lougheed lauds transport pact". Premier Lougheed is known to many members opposite. I quote:

> The accord reached Monday at a meeting of federal and provincial transportation ministers in Calgary was a major breakthrough for western Canada, Premier Peter Lougheed said—

That is what one western government, well known to members opposite, thinks of the progress in transportation policy that has been made by this minister and this government.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, the tirade, abuse and nonsense that came from the other side of the House this afternoon are enough to make a member wonder what in God's name he is doing in Ottawa on this Friday afternoon. I might be home if the airplanes were flying.

[Mr. McIsaac.]

I wonder what happened to the Minister of Transport (Mr. Marchand). He left the chamber about an hour ago. I am told he went to the hole downstairs to categorize over the French television network the debate this afternoon as a racial attack against him because he happens to be from the province of Quebec.

Mr. Guay (St. Boniface): Who said that?

Mr. Forrestall: The minister himself. The minister said to offer some solutions. I will suggest some things that should be done immediately, and they will be welcomed by all Canadians.

● (1650)

The government can get on with ratifying the UNCTAD agreement with respect to the new code of ethics for Atlantic conferences, and retain for Canada the $1.5 billion we have already poured into them. All it takes is a signature on a piece of paper.

With regard to equal opportunities between the ports and the National Harbours Board, because the port of Montreal is dying we have a shed rental policy about to be imposed on eastern ports. For what purpose, Mr. Speaker? To remove the difference between the cost of doing business in the port of Halifax and the cost of doing business in the port of Montreal, so that hopefully traffic will be diverted from Halifax and Saint John to Montreal. I say it will not be diverted. Let the government take a corrective step. It will not be diverted to Montreal; this traffic will go to the port of New York. Is that what hon. members opposite want?

We want a firm commitment to identify and charge some department, some departmental group or agency, with responsibility for maritime policy. The statement made a few weeks ago by the minister is not good enough. I refer to the Minister of the Environment (Mrs. Sauvé). She set up a committee on oceanology policy,4 and the other day we learned that it has not met for six months. Let us set up that committee and get on with it; again all it needs is a stroke of the pen. Let us strike the committee and get on with the steps required to establish a national maritime fleet. Let us announce our position on UNCTAD.

Do hon. members opposite want to know something else they can do with the stroke of a pen? They can bring into the House one sentence in a piece of legislation that will close the Atlantic, the Pacific and Arctic waters north of 60 degrees for passage solely by Canadian ships, with Canadian crews and flying Canadian flags. Save our extractive industries in the north. Do not let Murray River iron ore go into Europe in foreign bottoms; let us save it for Canadian bottoms.

The government can fire Yves Pratte, present chairman of the board of Air Canada, with the stroke of a pen.

We could ask the hon. member for South Western Nova (Miss Campbell) not to be so selective in her quotations. I notice that today she did not bother to quote Professor Wilson of the University of New Brunswick regarding subsidies on maritime freight rates. Do not let us hear too much more unmitigated nonsense about being subsidized in the maritimes on the movement of goods. Of course we are. We have to be. Look where we are.

We are talking about a total program costing $126 million over the last eight years. Last year it cost over $300 million just to pick up the interest and deficit on the operation of the St. Lawrence seaway, so hon. members opposite need not cry to us about how the maritimes are being subsidized. I ask them to make a simple decision. National transportation in Canada requires the will of the government to recognize that it must be subsidized if it is to serve the people adequately from one end of the country to the other. Let hon. members opposite not accuse us of not putting forward constructive suggestions because we have been doing that for the last ten or 12 years.

The other day we had an announcement from the Minister of Industry, Trade and Commerce (Mr. Gillespie) concerning shipbuilding subsidies, a program we welcomed and which we urge he continued. We are not opposed to it in any way, shape or form. The Export Development Corporation does an extraordinarily good job of enabling Canadian yards to attract offshore business. The other day the minister did not bother to come to the House but gave his report to a few selected reporters, and it was circulated the following day. In that report he removed the word "temporary" and said the program would be permanent, and his flacks at $1,900 a speech patted themselves on their backs and said "What a wonderful job we have done".

If hon. members look at the report very closely they will find another story. The subsidy is to be reduced by one per cent a year until it is down from 14 per cent to 8 per cent; or rather from 17 per cent if you get a matching grant for modernization, reconstruction and upgrading of shipyards. Instead of giving the shipyards notice so there would not be an unnecessary and undue interruption in long-term planning for renewal and modernization, the minister, who believes we are spending too much on them already, starts the reduction next year right in the middle of programming and budgeting for shipyards. Why did he not say that in two years' time, or three years' time—whatever the necessary period is to accommodate present planning—he will start reducing the subsidy by one per cent? He did not do that.

In addition, the minister extended the subsidy to federal shipping, ships built for the federal government, which incidentally must now have the third largest navy in the world, though we still have not got any cargo bottoms to generate new dollars or to save some of the $1.5 billion we are throwing away offshore.

I should like to pose a question to the parliamentary secretary. In the announcement of the extension of the subsidization program to ships built for federal agencies and departments, why did he not announce that it was also being extended to ships built for provincial governments and agencies? Why did he leave out the provinces? I hope it was an oversight, and if it was then with a stroke of the pen he can make a minor amendment, or issue another press release, and correct the situation.

I have referred to five or six areas, Mr. Speaker, but I think the response from the other side of the chamber to the sincere and meaningful points that have been put forward by members from one end of the country to the other is both deplorable and regrettable. The absence of the minister in the last hour of the debate is also deplorable and regrettable. Even the parliamentary secretary for DREE, who still thinks he is the be all and end all in transportation, I notice has left the chamber.

We have welcomed the opportunity this afternoon to draw attention to a number of points regarding the shortcomings in transportation services and the tremendous difficulties being faced by the transportation community in Canada.

The Acting Speaker (Mr. Penner): Order, please. It being five o'clock p.m. it is my duty to inform the House that, pursuant to section (11) of Standing Order 58, the proceedings on the motion have expired.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker, I wonder whether I might ask the government House leader if he is in a position to tell us what we will be considering on Tuesday and Wednesday.

Mr. Sharp: Mr. Speaker, when I was asked this question yesterday I said I hoped I would have some consultations with the House leaders on Monday and agree on what might be a mutually satisfactory program.

The Acting Speaker (Mr. Penner): It being five o'clock p.m. this House stands adjourned until Monday next at two o'clock p.m., pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 10, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TABLING OF FIFTH REPORT OF CLERK OF PETITIONS

Mr. Speaker: Order, please. I have the honour to inform the House that the Clerk of the House has laid on the table the fifth report of the Clerk of Petitions.

* * *

PRIVILEGE

MR. ALLMAND—HAMILTON HARBOUR—NEWSPAPER REPORT ALLEGING RCMP INVESTIGATION DELAYED FOR POLITICAL REASONS

Hon. Warren Allmand (Solicitor General): Mr. Speaker, on a question of privilege I wish to refer to two newspaper articles written by Claude Henault of the United Press, one appearing in the Montreal *Gazette* of Saturday, March 8, and the other appearing this morning, March 10. These articles might have appeared in other newspapers as well. In the first article of March 8 there is the following statement:

> The investigation into the Hamilton Harbour Commission fraud scandal was delayed at least six months and perhaps one year while the RCMP waited for political permission to proceed.

Some hon. Members: Shame.

Mr. Allmand: This is a completely false statement. I told the reporter on Friday that it was false. There was no negligent or deliberate delay in these investigations. It was officially launched on February 22, 1973, soon after I received a letter from the Minister of Transport (Mr. Marchand) requesting such an investigation. It was proceeded with with all due dispatch, without any hindrance from any political source. This can be confirmed by the RCMP.

The RCMP communiqué issued on May 29, 1974, at which time charges were laid against five individuals, stating that the investigation was commenced in September, 1973, referred only to one aspect of the total investigation, for example, the particular investigation which lead to the five charges. But the investigation into the original allegations was started on February 22. This was explained to the reporter several times, but he negligently or deliberately ignored this fact.

I should, furthermore, point out to the House that a member of the Hamilton City Council approached the Hamilton detachment of the RCMP in September, 1972, with certain allegations of wrongdoing in the Hamilton Harbour Commission, but on examination the detachment felt that the matters involved were those matters which fell under the Criminal Code and, consequently, should be investigated by the Hamilton City Police or the Ontario Provincial Police.

We understand that the Hamilton Council member then approached the Hamilton City Police and the Ontario Provincial Police, but they did not have the resources to carry out the investigation and the Hamilton official came back to the RCMP at a later date. At this point the RCMP referred the matter to the Minister of Transport, who in turn wrote me requesting the investigation. I immediately turned the matter over to the RCMP and the investigation was started on February 22. There was no delay of six months to one year, as alleged in the article, while the RCMP waited for political approval. When political approval was asked, it was given immediately.

The second article appeared under the same reporter's name in the *Gazette* of this morning, March 10. The story reports that the hon. member for St. John's East (Mr. McGrath) has charged the Prime Minister (Mr. Trudeau) and the Liberal government with covering up the politically explosive Hamilton harbour dredging contracts scandal. I do not know if the reporter reports the hon. member as the same reporter likes to report me; but in any case, if the hon. member did make that charge, I should like to ask him to repeat it in the House of Commons and defend it in the usual way.

● (1410)

Some hon. Members: Oh, oh!

Mr. Allmand: I am surprised that an experienced member would rely on such flimsy evidence as newspaper reports to make such serious allegations.

Mr. James A. McGrath (St. John's East): Mr. Speaker, my name has been mentioned in the question of privilege raised by the Solicitor General (Mr. Allmand) in connection with an article which appeared in today's edition of the Montreal *Gazette* under a UPI byline. The article in question was written as a result of an interview which was given to Standard Broadcast News on Friday. There is a tape recording of that interview and my exact words, so there is no question about what I said.

So far as I am concerned, the reporter did a reasonably accurate job of paraphrasing what I said in the tape-recorded interview. I base my evidence, not on some spurious newspaper accounts of what took place but on the ambiguous statements and replies to questions made in

the House by the Minister of Transport (Mr. Marchand) and the Solicitor General.

Some hon. Members: Hear, hear!

Mr. McGrath: If the Solicitor General is able to satisfy the House and the country on two points, then I am sure this whole matter could be clarified. The first point is: why the delay from the time of the inquiry in Hamilton to the commencement of the inquiry into the Île d'Orléans contract? The second question is: why would the RCMP, if they wanted to commence an inquiry into dredging contracts in the province of Quebec, go to the Minister of Transport?

The Minister of Transport has no jurisdiction whatsoever over the RCMP. The only minister to whom the RCMP could report regarding any apparent irregularity in contracts anywhere in Canada involving the federal government would be the minister responsible, and that is the Solicitor General. But the RCMP did not do that, and we have the minister's own words for it in the House on March 4 in reply to my question. I asked the minister:

> Mr. Speaker, may I ask a final supplementary question. Did the RCMP extend the investigation into the Île d'Orléans contract on their own initiative, or were they requested so to do by the Minister of Transport?

The minister's rather intriguing reply was:

> Mr. Speaker, they were requested by the Minister of Transport to begin investigations in Hamilton. Once the RCMP found there was evidence which led them to Quebec City, they reported to the Minister of Transport, and he told them to go full speed ahead in Quebec City as well.

Why would the RCMP have to report to the Minister of Transport? Why would they need his permission to go full speed ahead in investigations into very serious, alleged criminal charges? I submit that this whole affair has evidence, albeit circumstantial, of an attempt at least to confine this investigation to Hamilton, and when that failed the attempt was made to try to cover it up. Until the minister is ready to answer our questions, I am afraid he is leaving himself and his colleagues in the government open to suspicion.

Mr. Speaker: Order, please. The Solicitor General (Mr. Allmand) has given me notice of the proposed question of privilege. I am sure that he knows well, now that there have been equal contributions by both sides, that we are talking about a matter of debate and not a question of privilege. That debate should take place in this chamber, and I am sure it will in due course, under the proper framework within the rules; but it does not constitute a question of privilege and should not be debated at this time under that guise.

* * *

SOCIAL SECURITY

PROPOSED CABINET STUDY OF REPORT ON EFFECT OF POVERTY ON CHILDREN—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask leave to present a motion concerning a matter of urgent and pressing necessity to more than 1,600,000 Canadian children. I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands:

> That each member of the cabinet as a matter of urgency be asked to read in full the National Council of Welfare's Report on Children in Poverty in Canada entitled "Poor Kids", and that the cabinet meet at an early date to decide on steps to be taken to meet the serious challenge to the future of this country set out in that report.

Mr. Speaker: Order, please. The motion is presented pursuant to Standing Order 43 and therefore cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: The Liberals said no.

Mr. Speaker: There is not unanimity.

* * *

ROYAL CANADIAN MOUNTED POLICE

SUGGESTED ADDITIONAL SUPPORT TO PREVENT RACIST DISTURBANCES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I rise pursuant to Standing Order 43 in reference to a matter of urgent and pressing necessity. This morning's Vancouver *Daily Province* has a headline "Vigilantes to Act Against White Racists" and goes on to say that a group of the communist party plans to retaliate against white racist attacks on East Indians living on the lower mainland. On Sunday about 125 East Indians were told that the Vigilantes will be armed and will not be afraid to use force.

In view of this announcement by a declared communist organization in British Columbia I move, seconded by the hon. member for Burnaby-Seymour:

> That the Solicitor General be instructed to provide additional support to the RCMP who seek to promote peace and security in that racially unsettled area and prevent an escalation of a potentially explosive situation.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43. It cannot be presented or debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There not being unanimous consent, the motion cannot be put.

CANADA PENSION PLAN

REASON FOR RESIGNATION OF MR. GUAGLIANO FROM ADVISORY COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to propose a motion under the terms of Standing Order 43. The motion is seconded by the hon. member for Red Deer and is in regard to Mr. Charles Guagliano of Hamilton, Ontario who was appointed to the Canada Pension Advisory Committee on April 27, 1972 by the hon. member for Hamilton East (Mr. Munro) in his capacity at the time as minister of national health and welfare. I move that:

The House requests the Minister of National Health and Welfare to make a statement on circumstances surrounding the resignation of Mr. Guagliano from the Canada Pension Advisory Committee on December 19, 1974 and specifically to state whether charges laid under the Criminal Code of Canada against Mr. Guagliano had anything to do with his resignation.

Mr. Speaker: Order, please. With all due respect to the hon. member, surely a motion which concerns itself with a hiring in 1972 and a resignation in 1974 cannot be considered to be a matter of urgent and pressing necessity in 1975 within the terms of the rule.

* * *

PRAIRIE GRAIN ADVANCE PAYMENTS ACT, NO. 2

AMENDMENT TO AUTHORIZE DEDUCTION FROM RECEIPTS TO PAY BOARD FOR OUTSTANDING ADVANCE

Hon. Mitchell Sharp (for the Minister of Justice) moved for leave to introduce Bill C-53, to amend the Prairie Grain Advance Payments Act, No. 2.

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

* * *

FEEDS ACT

AMENDMENTS TO BROADEN DEFINITIONS AND CONTROL OVER MANUFACTURE, SALE OR IMPORTATION

Hon. E. F. Whelan (Minister of Agriculture) moved the first reading of Bill S-10, (from the Senate) to amend the Feeds Act.

Motion agreed to and bill read the first time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 11, 308, 830, 860, 1,030, 1,041, 1,042, 1,051, 1,169, 1,209, 1,268, 1,305, 1,333, 1,464, 1,477, 1,533, 1,535, 1,565, 1,597 and 1,729.

Order Paper Questions

If questions Nos. 57, 363, 759, 766, 985 and 1,040 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 1,528?

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

[*Text*]

OLD AGE SECURITY

Question No. 11—**Mr. Reynolds:**

What would be the estimated cost to the Federal Treasury in each year if the old age pension were reduced from 65 to 60 over a five year period, eliminating one year, for example, the first year 64 years would be eligible, second year 63, third year 62, fourth year 61, fifth year 60?

Hon. John N. Turner (Minister of Finance): The estimated cost of a year-by-year reduction in the present minimum eligible age of 65 for Old Age Security and Guaranteed Income Supplement benefits is $300 million in the first year, $500 million in the second year, $900 million in the third year, $1.3 billion in the fourth year and $1.7 billion in the fifth year. These estimates are in 1974 dollars i.e. no account has been taken of adjustment to monthly benefits arising out of changes in the Consumer Price Index. The indicated costs are gross costs and do not take into account tax recoveries on OAS benefits.

CANADIAN EGG MARKETING AGENCY

Question No. 308—**Mr. McGrath:**

1. Who are the members of the Canadian Egg Marketing Agency?
2. Who are the Directors of CEMA?
3. How much is each Director paid?
4. How often does the Board of Directors meet?
5. How is CEMA financed?
6. Who appoints CEMA's Directors?
7. What methods are employed by CEMA to (a) control production (b) control inventories?
8. What rate of net profit does CEMA permit it's members?

Hon. E. F. Whelan (Minister of Agriculture): 1. Mr. Phillip Eldridge, Alberta; Mr. John Hyde, Ontario; Mr. William Jansen, British Columbia; Mr. Harold Crossman, Saskatchewan; Mr. Peter Dyck, Manitoba; Mr. Gilles Yergeau, Quebec; Mr. Harry Law, New Brunswick; Mr. John Eyking, Nova Scotia; Mr. Bert Haneveld, Prince Edward Island; Mr. Fred Wells, Newfoundland.

2. The Structural Committee of CEMA are: Mr. Phillip Eldridge, Mr. John Hyde, Mr. Harold Crossman.

3. It is the policy of CEMA not to disclose the salary paid to its membership. However, a per diem is paid for each day spent on CEMA affairs.

4. The structural committee meets as often as the need for such arises but on an average at least once per week.

5. CEMA is financed through the imposition of a levy of 1 cent per dozen eggs to producers.

6. The directors of CEMA are appointed by the members of CEMA.

Order Paper Questions

7. (a) There are no production controls as such, there are only marketing quotas. (b) A new storage policy is to be recommended in accordance with storage standards comparable to government policy.

8. CEMA does not set a rate of profit to its members. The level of management efficiency has a direct bearing on the profit of any producer.

CANADA DEPOSIT INSURANCE CORPORATION—PERSONNEL

Question No. 830—**Mr. Stevens:**

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by the Canada Deposit Insurance Corporation (b) what would have been their aggregate salaries if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Corporation?

Hon. John N. Turner (Minister of Finance): Canada Deposit Insurance Corporation: 1.

Year	Number of Employees	Total Salaries	Salary Levels $20,000–34,999	$35,000–49,999	$50,000 plus
1968	3	$39,270	—	—	—
1970	3	45,320	1	—	—
1972	3	53,700	1	—	—
1974	3	61,000	1	—	—

2.

1968	$17,000–20,000;	$12,000–13,500;	$6,500–7,500;
1970	$20,000–23,000;	$13,500–15,200;	$7,500–8,600;
1972	$23,000–27,500;	$15,200–16,800;	$8,600–9,400;
1974	$27,500–31,000;	$16,800–19,300;	$9,400–10,700.

CONSIDERATION OF TAX MEASURES

Question No. 860—**Mr. Herbert:**

Will tax measures be considered to encourage pension plans to adopt more uniform regulations with regard to (a) sound financing and funding (b) vested rights (c) age discrimination (d) portability?

Hon. John N. Turner (Minister of Finance): A significant portion of time spent reviewing provisions of the Income Tax Act is devoted to problems of retirement income, including, of course, pension plans. The points raised in the question are always factors which are considered in the review of legislation. However, it should be noted that the four areas mentioned are covered to a major degree by provincial legislation and by federal legislation in acts other than the Income Tax Act. The major role of the provinces in the pension area makes it undesirable for the federal government to attempt to unilaterally legislate pension criteria. It should be noted that the guidelines of Revenue Canada for registering pension plans for purposes of the Income Tax Act have been drawn up to be consistent with provincial legislation and that there is constant contact between federal and provincial officials on matters dealing with pension plans.

[Mr. Whelan.]

LIP—MEMORANDUM FROM DEPUTY MINISTER TO MINISTER

Question No. 1,030—**Mr. Cossitt:**

With reference to the memo dated January 25, 1973, signed by Mr. J.M. DesRoches, Deputy Minister of Manpower and Immigration and addressed to the Minister of Manpower and Immigration, saying in part with reference to the Local Initiatives Programme, "no project is approved without concurrence of the Regional Minister" (a) what are the names of all the Regional Ministers that were involved (b) over what geographic area did each have jurisdiction (c) as of what exact date was this system created (d) what part did the present Minister play in such creation (e) what part did his immediate predecessor play?

Hon. Robert K. Andras (Minister of Manpower and Immigration): (a) See sessional paper 291-2-2319, tabled in the House of Commons on September 5, 1973; (b) See (a) above; (c) The custom of having cabinet ministers represent the interests of provinces and regions has been in existence since July 1, 1867. As R. MacGregor Dawson and Norman Ward point out in their standard work, the Government of Canada: "The Cabinet, in short, is federalized, a turn of events which was shrewdly forecast by one of the critics of the confederation proposals in 1865 and accepted by Sir John A. Macdonald in forming his first ministry in 1867" (fourth edition, pages 193-4); (d) None (see (c)); (e) None (see (c)).

LIP—RCMP INVESTIGATIONS 1972-73

Question No. 1,041—**Mr. Cossitt:**

1. Were any Local Initiatives Programme projects for the year 1972-73 investigated by the RCMP?

2. What were the names of all projects investigated including, in each case (a) the address of the project (b) all names on its application (c) the constituency in which it was located (d) full details of the project's nature (e) the amount of funds granted (f) the names of all persons who recommended acceptance of the project application (g) the reasons for such an investigation (h) the results of the investigation (i) the name of person or persons ordering or requesting the investigation (j) the dates the investigation was carried out?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. The RCMP conducted 17 investigations of the 5,823 LIP projects 1972-73. In four of the foregoing investigations, no fraud was involved. In these cases, it is the Department's policy not to disclose information concerning projects investigated as such disclosure might be detrimental to innocent individuals or associations. Additionally, information concerning the twelve projects currently under investigation is withheld pending the results of the inquiry.

2. Details of the one project investigated in which fraud was found are as follows: H-2217—Le Club des 40 à 60: (a) Mr. Guy Poulin, 5116 boul. Léger, Montréal Nord, Québec; (b) Guy Poulin, Robert Chandonnet; (c) Montreal-Bourassa; (d) The objective of the project was to provide such services for the old, sick and handicapped persons of the community of Montreal North as washing and cleaning homes, painting, bringing out the garbage and removing snow; (e) $193,581; (f) The Department of Manpower and Immigration regards as confidential the names and content of all representations made to the minister or the department; (g) Complaint from a confidential informant to the RCMP that Mr. Guy Poulin (sponsor) was also

running a business under the name of "Les Ambulances Urbaines" in which non-project people were being paid by LIP funds; (h) October, 1974—RCMP report that charges will be laid; (i) Confidential local informant brought the matter to the attention of the RCMP; (j) December 22, 1973—RCMP confiscated files.

LIP—RCMP INVESTIGATIONS 1973-74

Question No. 1,042—**Mr. Cossitt:**

1. Were any Local Initiatives Programme projects for the year 1973-74 investigated by the RCMP?

2. What were the names of all projects investigated including, in each case (a) the address of the project (b) all names on its application (c) the constituency in which it was located (d) full details of the project's nature (e) the amount of funds granted (f) the names of all persons who recommended acceptance of the project application (g) the reasons for such an investigation (h) the results of the investigation (i) the name of person or persons ordering or requesting the investigation (j) the dates the investigation was carried out?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. The RCMP conducted 11 investigations of the 3,401 LIP projects 1973-1974. In first of the foregoing investigations no fraud was involved. In this case, it is the department's policy not to disclose information concerning projects investigated as such disclosure might be detrimental to innocent individuals or associations. Additionally, information concerning the nine projects currently under investigation is withheld pending the results of the inquiry.

2. Details of the project investigated in which fraud was found are as follows: 311-3520 Le Club des 40 à 60: (a) M. Guy Poulin, 5116 boul. Léger, Montréal Nord, Québec; (b) Guy Poulin; (c) Montréal-Bourrassa; (d) The objective of the project was to provide such services for the old, sick and handicapped persons of the community of Montreal North as washing and cleaning homes, painting, bringing out the garbage and removing snow; (e) Approved for $59,800.00 but suspended due to RCMP investigation; (f) The Department of Manpower and Immigration regards as confidential the names and content of all representations made to the minister or the department; (g) Complaint from confidential informant to the RCMP that Mr. Guy Poulin (sponsor) was also running a business under the name of "Les Ambulances Urbaines" in which non-project people were being paid by LIP funds; (h) October, 1974—RCMP report that charges will be laid; (i) Confidential local informant brought this matter to the attention of the RCMP; (j) December 22, 1973 (RCMP confiscated files).

GRANTS TO WOMEN'S CENTRES

Question No. 1,051—**Mr. Jelinek:**

1. Of the seventeen women's centres offering advice on abortion that are receiving grants from the Department of the Secretary of State, are any in the Toronto area and, if so (a) how many (b) what is their identity (c) what is the dollar value of their grants?

2. Are any other departments involved in giving grants to women's centres?

Hon. Mitchell Sharp (President of the Privy Council): 1. (a) Of the 16 women's centres in Canada which have received grants from the Secretary of State Department, two are in Toronto. These centres are engaged in a wide variety of activities including information and referrals with regard to community agencies serving the needs of women, libraries of books and other material on issues of concern to women, and forums for discussion and training. (b) and (c) Y.W.C.A. Women's Resource Centre, $8,000; The Women's Information Centre, $15,000.

2. The Department of National Health and Welfare, through its Welfare Demonstration Grants Directorate, is presently funding two women's centre projects which offer special counselling and shelter services to women undergoing changing life circumstances as a result of divorce, separation, widowhood, etc. The Department of Manpower and Immigration is also involved in giving grants to women's centres through LIP and OFY programmes.

LIP PROJECT OFFICER, MR. RON BELL

Question No. 1,169—**Mr. Cossitt:**

1. (a) Is Mr. Ron Bell employed as Project Officer with the Local Initiatives Programme (b) what is a complete history of Mr. Bell's employment in the Public Service including (i) jobs held (ii) dates (iii) salaries?

2. Is the Minister or any other of Mr. Bell's superiors aware (a) as to whether Mr. Bell acted as a campaign manager for the Liberal Party of Ontario in the provincial constituency of Carleton (b) as to whether or not he worked for the Liberal Party of Canada during an election campaign in the federal constituency of Grenville-Carleton?

3. Is it the policy of the government to permit employees having influence as to the disposition or supervision of Local Initiatives Programme grants to actively or openly work on behalf of candidates of the Liberal Party?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. (a) Yes—he is a program officer with the Local Initiatives Program.

(b) (i) Jobs Held	(ii) Date	(iii) Range of Salaries
LIP Project Officer	18–11–71 to 29–7–73	$11,034 to $12,538
Acting Chief, Atlantic and Ontario Regions LIP	30–7–73 to 24–8–73	$18,867 to $21,442
LIP Project Officer	25–8–73 to 3–8–73	$11,586 to $13,165
Acting Headquarters Senior Project Officer for Prairie and Pacific Regions	4–9–73 to 18–12–73	$14,246 to $16,189
Acting Chief for Prairie and Pacific Regions, Job Creation Branch	19–12–73 to 4–1–74	$20,565 to $23,372
Acting Headquarters Senior Project Officer for Prairie and Pacific Regions	5–1–74 to 31–3–74	$14,246 to $16,189
LIP Project Officer	1–4–74 to date	$11,586 to $13,165

2. (a) and (b) As of December 16, 1974, they were not aware of this. All employees of the Department of Manpower and Immigration are made aware of the provisions outlined in Section 32-1 of the Public Service Employment Act.

3. See answer 2 above.

APPLICATIONS FILED IN ONTARIO FOR INDUSTRIAL DEVELOPMENT BANK LOANS

Question No. 1,209—**Mr. Wise:**

1. How many applications were filed by businessmen in the Province of Ontario for Industrial Development Bank loans for each year from 1970 to 1973 inclusive and, of these, how many were approved?

2. What was the total amount of money loaned to these businessmen for each year?

Hon. John N. Turner (Minister of Finance): The IDB provides comprehensive statistical information in its annual report but it does not provide nor does it publish the number of loan applications by province. As published in the IDB's annual report the number and total amount of loans authorized from 1970 to 1974 inclusive, in Ontario, are recorded below:

	Number	Amount ($000)
1970	978	46,490
1971	1,216	49,723
1972	1,568	65,124
1973	1,789	75,336
1974	2,391	110,850

CANADIAN POTASH

Question No. 1,268—**Mr. Hnatyshyn:**

1. Has Canadian potash been included in any foreign aid programme and, if so, in the year 1974 how much was distributed under foreign aid and to what countries?

2. Is the government giving consideration to the inclusion of Canadian potash in such programmes in the future and, if so, to what extent?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. Yes. Canadian potash has been included in CIDA programmes in the past. In the fiscal year 1974/75, a total of 280,400 metric tons was shipped to the following countries: India (240,000 metric tons); Indonesia (28,000 metric tons); Bangladesh (6,400 metric tons); Sri Lanka (5,000 metric tons) and Guyana (1,000 metric tons).

2. Yes. Canadian potash is being considered for future programmes. The actual tonnage shipped will depend on the supply situation which remains tight to a significant extent. It will also reflect the current priority of the recipient.

DEPARTMENT OF FINANCE—PERSONNEL

Question No. 1,305—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of Finance on (a) January 1, 1974 (b) January 1, 1975?

[Mr. Andras.]

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. John N. Turner (Minister of Finance): 1. (a) 561; (b) 591.

2.	January 1, 1974	January 1, 1975
(a)	270	226
(b)	167	226
(c)	100	83
(d)	24	56

CONFIDENTIALITY OF INCOME TAX RETURNS

Question No. 1,333—**Mr. Forrestall:**

1. What specific section of the Income Tax Act assures the taxpayer that his return is confidential to the officials of the Department of National Revenue?

2. What departments have access to individual or corporation income tax returns and, in each case, what is the method by which officials of departments other than the Department of National Revenue can have access to individual income tax returns?

Hon. Ron Basford (Minister of National Revenue): 1. Section 241 of the Income Tax Act states no official or authorized person shall communicate to any individual outside Revenue Canada, Taxation, any information obtained for the purpose of this act. However, an official or authorized person may, under prescribed conditions (as defined in Regulation 3000), communicate or allow to be communicated information obtained under this act, or allow inspection of or access to any written statement furnished under this act to the government of any province in respect of which information and written statements obtained by the government of the province, for the purpose of a law of the province that imposes a tax similar to the tax imposed under this act, is communicated or furnished on a reciprocal basis to the minister.

2. Statistics Canada, under the authority of the Statistics Act, has access to individual or corporate tax returns or computer files containing information extracted from these returns for the purpose of compiling statistics. Health and Welfare Canada receives information for the purpose of the administration of the Canada Pension Plan. Unemployment Insurance Canada is provided information due to our involvement in the collection of unemployment insurance premiums. In line with the legislative requirements of our department and other federal agencies, Revenue Canada, Taxation provides to other federal departments specific information obtained from tax returns. The agencies and activities or information involved are as follows: Supply and Services Canada, refund cheque processing; Public Archives, microfilming and storage; Finance Canada, public utilities; Treasury Board, uncollectable debts; Energy, Mines and Resources, verification of mine exemption; Industry, Trade and Commerce, scientific research.

FREIGHT RAIL CARS FOR SHIPMENT OF ATLANTIC PRODUCTS

Question No. 1,464—**Mr. Howie:**

Are there any plans to ensure an adequate reserve of freight rail cars for the shipment of Atlantic products?

Hon. Jean Marchand (Minister of Transport): At present there are no reported rail car shortages for shipment of Atlantic products. The railways are reviewing their car needs continuously and order cars as required. The freight rail car supply and shipper service is now being monitored continuously by the Ministry of Transport in conjuction with the railways and the shipper groups.

HOME BANKS

Question No. 1,477—**Mr. Hnatyshyn:**

Is the government considering instituting a plan of "Home Banks" whereby senior citizens who own their own homes can sell them to the government at market price and retain the right to rent them for as long as desired?

Hon. Barney Danson (Minister of State for Urban Affairs): The government is not considering the institution of a plan of "Home Banks".

*CANADIAN TRANSPORT COMMISSION—LENGTH OF SERVICE OF HON. J. W. PICKERSGILL AS PRESIDENT

Question No. 1,528—**Mr. Diefenbaker:**

1. For what period of time was the Honourable J. W. Pickersgill, P.C., President of the Canadian Transport Commission?

2. What salary per annum, year by year from the time of his appointment to his retirement, did he receive?

3. What is the amount of pension or retirement allowance that he is receiving monthly in consequence of his service with the Board?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am informed by the Canadian Transport Commission and the Department of Supply and Services as follows: 1. Mr. Pickersgill was President of the Canadian Transport Commission from September 19, 1967, until his voluntary retirement August 31, 1972.

2. On appointment and up to December 31, 1969, Mr. Pickersgill received a salary of $40,000 per annum. His salary thereafter fell within the range of DM-3, which, for the year 1970 was $39,000-$42,000, for the year 1971 was $42,000-$46,000, and for the year 1972 was $45,000-$50,000.

3. It is not the policy of the government to disclose the pensionable income on an individual basis. The government understands that Mr. Pickersgill has written to the Right Hon. J. G. Diefenbaker providing him with all the details requested.

COST OF PHOTOGRAPHIC SERVICES DURING QUEEN'S LAST VISIT TO CANADA

Question No. 1,533—**Mr. Caouette (Villeneuve):**

How much did the government pay for photographic services during the Queen's last visit in Canada?

Hon. James Hugh Faulkner (Secretary of State): In connection with the last visit of Her Majesty the Queen to Canada in 1973, the government paid $500 in fees for photographic services and $618.96 for travel expenses.

UIC—NUMBER EXCLUDED UNDER UNEMPLOYMENT INSURANCE REGULATION 145-9, 1973-74

Question No. 1,535—**Mr. Caouette (Villeneuve):**

1. How many persons were excluded in 1973 and 1974 under Unemployment Insurance Regulation No. 145-9?

2. What province was most affected by this regulation?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): 1. 1973, 92,871; 1974, 93,133.

2. 1973, Quebec; 1974, Ontario.

CIDA SCHOLARSHIP PROGRAMME

Question No. 1,565—**Mr. Munro (Esquimalt-Saanich):**

1. On what date did CIDA institute the scholarship programme for students anxious to pursue their studies in the area of international development?

2. (a) How much was allocated to this programme each year (b) was it all awarded and, if not, how much remained each year?

3. How many Canadian students were awarded scholarships under this programme?

4. On a year by year basis, from what universities were these students drawn?

5. Is it one of the requirements that the study be carried out in Canada and, if so, at what universities?

6. Have any non-Canadians benefitted under this programme?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The CIDA scholarship program for Canadians was established on March 1, 1972 under the authority of T.B. 710122. A maximum of 25 scholarships can be operational at any given time, and not more than 15 new scholarships can be awarded each year. The first eight scholarships were awarded effective August 10, 1972.

2. (a) and (b)

Fiscal Year	Allocation	Disbursement	Unspent Balance
1972/73	$ 75,000	$ 37,221.87	$37,778.13
1973/74	125,000	95,779.83	20,220.17
1974/75	200,000	190,000.00 (est.)	10,000.00

3. The number of Canadian students who were awarded scholarships under this programme is as follows: 1972: 8; 1973: 11; 1974: 14.

4. Year	Institution	Number
1972	University of Toronto	1
	Queens' University	1
	University of Ottawa	1
	Carleton University	1
	not attending university	4

Order Paper Questions

4. Year	Institution	Number
1973	University of Ottawa	1
	University of Montreal	1
	not attending university	9
1974	Carleton University	1
	Laval University	2
	University of Manitoba	1
	not attending university	10

The number of students who were attending academic institutions is low due to the fact that the scholarship program is not necessarily directed at people who are attending university.

5. Studies and/or research are normally undertaken in Canada or in developing countries. Studies in another developed country may be undertaken when the required program is not available in Canada. The choice of institution rests with the applicant.

6. The program is limited to Canadian citizens.

CMHC

Question No. 1,597—**Mr. Epp:**

Is the name of Central Mortgage and Housing Corporation to be changed to "Habitat Canada" and, if so, for what reasons?

Hon. Barney Danson (Minister of State for Urban Affairs): No action is being taken, at the present time, to change the name of Central Mortgage and Housing Corporation to "Habitat Canada".

DEPARTMENT OF ENERGY, MINES AND RESOURCES—RESEARCH AND DEVELOPMENT

Question No. 1,729—**Mr. Francis:**

What amount of money has been spent by the government on the research and development of the following alternatives to nuclear energy (a) solar energy (b) biomass energy (c) magneto-hydrodynamics?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: in the 1974-75 fiscal year, it is estimated that the level of government expenditures on research and development has been approximately: (a) Solar energy (including wind) $180,000; (b) Biomass energy, $355,000; (c) Magnetohydrodynamics (which is not an alternative to nuclear energy but an energy conversion method), Nil.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

LIP—GRANTS IN CONSTITUENCY OF SASKATOON-HUMBOLDT, 1972-73

Question No. 57—**Mr. Cossitt:**

1. With reference to the answer to Question No. 46 of the Second Session of the 29th Parliament, which states in part that a total of $776,040 was allocated under the Local Initiatives Programme for 1972-73 in the constituency of Saskatoon-Humboldt, Saskatchewan (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

OVERHAULING OF BOEING 707'S

Question No. 363—**Mr. McKenzie:**

1. Did DND or the government in 1973 or 1974 advertise or call for tenders to do any maintenance or overhaul work on the military Boeing 707's?

2. How many firms bid to do the overhaul work and, in each case, what is the name of the firm and the cost of overhaul in bid?

3. Did (a) World Airlines of Oakland, California (b) CAE of Winnipeg submit a bid to do any of the overhaul work?

4. (a) What overhaul or maintenance work must be done to the 707's (b) will painting, engine overhaul and frame inspection be required (c) will painting, engine overhaul and frame inspection all be done by the one firm and at what cost?

5. (a) What will be the cost to DND and other government departments to tool and outfit CAE of Winnipeg for Boeing overhaul (b) what is the cost by government department?

6. (a) Who is paying the cost of training CAE employees at the Boeing plant in Seattle or at any other Boeing plant (b) how many CAE employees will be trained?

7. (a) Will it cost more to have 707's overhauled at CAE in Winnipeg than at World Airlines or any other firm and, if so, how much more (b) what is the cost breakdown for each company?

8. In what hangar will 707's be overhauled if the contract goes to CAE in Winnipeg and, if it is a military or government hangar, how long will CAE be able to use the hangar?

9. Will any modifications have to be made to a hangar in Winnipeg to accommodate 707's and, if so (a) who will pay the cost of modification (b) what is the cost?

10. If CAE is awarded 707 overhaul contract will DND or the government arrange for any other jet aircraft to be overhauled by CAE upon completion of the military 707 overhaul contract?

Return tabled.

KIDNAPPING CONVICTIONS SINCE 1969

Question No. 759—**Mr. Diefenbaker:**

1. How many convictions have there been for the crime of kidnapping since 1969?

2. Without designating the names of the individuals convicted, what were the sentences imposed in each case and, if paroled, how long did each serve before parole?

Return tabled.

RAPE CONVICTIONS SINCE 1965

Question No. 766—**Mr. Diefenbaker:**

1. How many convictions for rape have been returned by juries year by year since 1965?

2. Without designating the names of the individuals convicted, what were the sentences in each case?

3. How many of those convicted have been paroled after serving (a) less than one year (b) from one to two years (c) from two to three years?

Return tabled.

EMPLOYMENT OF MR. RODERICK M. BRYDEN BY FEDERAL GOVERNMENT

Question No. 985—**Mr. Nystrom:**

1. For what periods and in what capacity was Mr. Roderick M. Bryden employed by the government (a) as an assistant or on the personal staff of the Honourable Otto Lang, Minister responsible for the Canadian Wheat Board (b) as a member or on the staff of the Grains Group (c) in any other capacity?

2. With reference to a grant or grants by the government to offset or bear the costs for a study of the feasibility of an inland terminal elevator at Weyburn (a) was the grant paid and, if so (i) to whom (ii) what was the total amount paid (b) who conducted the study and what fee was charged (c) has a copy of the study been made available to the government and, if so, will it be Tabled?

3. (a) Is Mr. Bryden proprietor and owner of Bryden Ltd., which was engaged to do a feasibility study on an inland terminal at Weyburn, Saskatchewan (b) is Mr. Bryden part owner or a partner in Techtrol Ltd., who is seeking a contract for construction of the inland terminal?

4. What, if any, contracts and payments have been made by the government, or any agency of the government, to Bryden, Ltd.?

5. Has Mr. Bryden made any representation to the Department of Regional Economic Expansion in support of, or requesting a loan or a guarantee of borrowings on behalf of a company organized to explore the feasibility of or to construct an inland terminal at Weyburn and, if so, on what date were such representations made and what was the nature of the representations?

Return tabled.

LIP—INVESTIGATION OF PROJECTS BY RCMP

Question No. 1,040—**Mr. Cossitt:**

1. Were any Local Initiatives Programme projects for the year 1971-72 investigated by the RCMP?

2. What were the names of all projects investigated including, in each case (a) the address of the project (b) all names on its application (c) the constituency in which it was located (d) full details of the project's nature (e) the amount of funds granted (f) the names of all persons who recommended acceptance of the project application (g) the reasons for such an investigation (h) the results of the investigation (i) the name of person or persons ordering or requesting the investigation (j) the dates the investigation was carried out?

Return tabled.

● (1420)

ORAL QUESTION PERIOD

[*Translation*]

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—GOVERNMENT ACTION TO SETTLE—ACTION AGAINST THOSE STRIKING ILLEGALLY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to put a question to the President of the Treasury Board.

Now that the talks with the GLT workers of the Public Service Alliance have broken up, what are the government's plans to end the dispute? What is the minister waiting for? That with patience the strike will settle itself?

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, it is true that we have a great deal of patience, and those workers have the right to strike. The right was granted to them by the Parliament of Canada in 1967, and we have every intention of respecting it.

[*English*]

Mr. Stanfield: Mr. Speaker, I have a supplementary question for the same minister who told us on several occasions in the last week about his determination to see that those who were responsible for carrying out services designated as essential, did so. In view of the fact that services designated as essential to the safety and security of the public are not being provided, what does the minister propose to do?

Mr. Guay (St. Boniface): What would you do?

Mr. Chrétien: Mr. Speaker, I am proposing to do what the law authorizes me to do. We are gathering evidence against everyone who acts illegally. We are asking permission from the Finkelman Board to prosecute them and we will prosecute in court for every illegal strike as is provided under the law. We do not have any intention of withdrawing any of the cases.

* * *

LABOUR CONDITIONS

STRIKES INVOLVING MOVEMENT OF GRAIN—GOVERNMENT ACTION TO SETTLE

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Acting Prime Minister, which I put to him in view of the obvious inadequacy of the responsible minister under the machinery available to him to assure that essential services will be provided, and in view of the tie-up of shipments of western grain as a result of two disputes involving the GLT and the grain handlers. I should like to ask the Acting Prime Minister whether the government will review both of these disputes in depth and advise the House tomorrow what his plans are, or must we wait until the return of the Prime Minister before the government undertakes its responsibility?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, just one word in connection with the first comment made by the Leader of the Opposition who spoke about essential services as if it were a much broader term than the act itself provides. It is services that are essential to public safety and security.

Mr. Stanfield: I said that.

Mr. Sharp: They were not the words that he used on this occasion.

Mr. Baker (Grenville-Carleton): We cannot help it if you are asleep.

Mr. Sharp: On the general question of the strike and the negotiations that are now going on, the government has these under very careful review. We recognize what a serious problem is being created, particularly in the movement of grain, and this we are reviewing almost hourly.

Oral Questions

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—INQUIRY WHETHER ACTION TO SETTLE AWAITS RETURN OF PRIME MINISTER

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. In light of all the uncertainty, am I to take it that no action will be taken to end the public service strike by the government of Canada until the Prime Minister returns, even though our grain markets and other markets are suffering and deteriorating every day?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we are, of course, all awaiting the return of the Prime Minister after a most successful tour in Europe.

Some hon. Members: Oh, oh!

Mr. Sharp: I can assure the hon. member that the government will not wait for the Prime Minister's return in order to take any action that is necessary under the circumstances. The situation is quite clear. My colleague the President of the Treasury Board has been negotiating in good faith with the strikers. We are hoping that this will work. If it does not we will, of course, have to take other measures.

Mr. Woolliams: A final supplementary question, Mr. Speaker. I am sure that many members on all sides of the House will congratulate the Prime Minister on his skiing trip.

Some hon. Members: Oh, oh!

Mr. Woolliams: I can wait if hon. members can; I have lots of time. I ask the Acting Prime Minister, will the government take some action to end the strike before the Prime Minister returns from Europe, irrespective of what he is doing there?

Mr. Sharp: Mr. Speaker, I had taken the hon. gentleman's comments seriously until he made that most unfortunate remark. I think it is an example of the standard of taste of the hon. member; I regret to have to say that. When the Prime Minister is abroad engaged in serious public business, surely we should all regard with great favour the fact that the Prime Minister is taking his responsibilities with respect to Europe seriously, and is over there working on our behalf.

Some hon. Members: Hear, hear!

Mr. Sharp: It was the sort of cheap crack that I really thought was below the standard of my hon. friend. If it is necessary, and considered desirable for this parliament to take action, then we will take action whether or not the Prime Minister has returned. If my hon. friend the President of Treasury Board can find an opportunity to complete these negotiations, then he will be only too happy to do so.

[Mr. Sharp.]

STRIKE OF GENERAL LABOUR AND TRADES GROUP—SUGGESTION GOVERNMENT MAKE SERIOUS OFFER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question on this same subject to the President of Treasury Board. In view of repeated assertions on the part of the government that it supports the principle of collective bargaining and the right to strike for public servants, and in view of the fact that the right to strike carries with it the obligation at some point on both sides to try to reach an agreement, may I ask the President of Treasury Board when the government is going to make a serious offer designed to bring this strike to a conclusion?

• (1430)

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I have said many times that the House of Commons is not the place to negotiate. I can repeat what I have already said. Our final offer was much lower than the majority conciliation board report. Eventually, in order to arrive at a settlement, we concluded it would be good for the government to accept the report of the president of the conciliation board. If the union had acted in the same manner in that conflict, there would have been no strike at all.

Mr. Knowles (Winnipeg North Centre): In view of the assertion by the President of Treasury Board that he does not believe in negotiating on the floor of the House of Commons while at the same time he negotiates by radio, television and speeches outside the House, may I ask whether he realizes the strike has gone on for three weeks and that the time comes when, regardless of what offers have been made and rejected in the past, a serious offer should be made that would be fair to all concerned.

Mr. Chrétien: Mr. Speaker, it was exactly for that reason we went back to the negotiating table last Friday. We made new offers over the weekend. As far as communications with the press are concerned, I have not talked to any members of the press since last Wednesday. However, I have to reply to questions in the House of Commons and I am doing my best to give answers. I would like to say to the House that we are willing to sit down with the members of the union to try to conclude the strike as soon as possible. At the same time, I do not think I have to abdicate my responsibility because it is not my money, but the taxpayers' money.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as a final supplementary, may I put this question to the minister. How can he say the government went back to the bargaining table when all it did was ask the employees to accept the offer they had already turned down.

Mr. Chrétien: Mr. Speaker, I think someone has spoken to the press. I have not spoken to them at all. I listened to the news over the weekend. At one point the press reported we were making progress. I was not the one who said that. We made offers and counter-offers, but unfortunately we could not come to terms. I hope we will soon come to terms.

STRIKE OF GENERAL LABOUR AND TRADES GROUP—GOVERNMENT POSITION ON CONSEQUENCES TO PUBLIC

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. Does the government accept as a matter of principle that the public shall continue to suffer losses, businessmen will suffer serious slowdowns in cash flow, pensioners will have their cheques delayed and the general public, which is defenseless, should just stand idly by and suffer the consequences of this particular strike?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker.

* * *

[*Translation*]

TRANSPORT

REQUEST FOR MEASURES TO IMPROVE TRAIN SERVICE TO NORTHWEST QUEBEC—GOVERNMENT POSITION

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Transport.

Considering the intolerable delays in the extremely slow delivery of parcels and freight by railway from Montreal to Val-d'Or and northwest Quebec, can the minister tell the House whether he will look into the matter and take the necessary steps to improve this situation which is most disastrous for the people of northwest Quebec?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as far as I know, the trains serving northwest Quebec have not slowed down. I shall inquire from my colleague, the Postmaster General, to see whether this complaint is really founded.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED DELAY IN COMMENCING INVESTIGATION INTO DREDGING CONTRACTS IN QUEBEC—REQUEST FOR EXPLANATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to ask a question of the Solicitor General. Is the minister now prepared to explain to the House the delay between the investigation into dredging irregularities in Hamilton and the allegations of serious irregularities in the contract of Quebec City or Île d'Orléans? Second, will the minister explain why it was necessary for the RCMP to report to the Minister of Transport and not the Solicitor General or the Minister of Justice?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the hon. member has asked two questions. On the first question, there was no delay in the investigation with respect to the Île d'Orléans dredging contract. Certain evidence came to light during the Hamilton harbour investigation with respect to the Île d'Orléans case. As soon as that evidence came to light, the RCMP went to the Department of Transport and asked for certain files and documents with respect to the Île d'Orléans case. Those files and documents were given and the information was relayed to the Minister of Transport. He agreed that full co-operation should be given.

It was not necessary for the RCMP to go to the Minister of Transport or the Department of Transport to obtain approval to proceed with the investigation. However, they required certain documents. It was regular procedure to advise the department that the investigation was proceeding with respect to Île d'Orléans. They could proceed without any authorization, but they needed documents and so on. Therefore, they went to the Department of Transport to obtain these. Full co-operation was given. I think that answers both questions. If not, I will expect a supplementary.

INVESTIGATION INTO DREDGING CONTRACTS—WHEN AND BY WHOM DECISION TAKEN TO EXTEND INVESTIGATION INTO QUEBEC

Mr. James A. McGrath (St. John's East): Mr. Speaker, the minister's reply today is not quite consistent with the reply he gave to the same question last week whereby he stated quite clearly that the Minister of Transport gave permission to go full speed ahead on the investigation into Quebec. When was the decision taken to extend the investigation beyond the contracts in Hamilton and Quebec and by whom was this decision taken?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as soon as the RCMP found evidence in the Hamilton Harbour commission that there might be wrongdoing in the Quebec City area, they took the decision to continue the investigation. However, they needed documentation of other evidence from the Department of Transport. They went to the Department of Transport to obtain it. I never at any time said that permission was granted by the Minister of Transport. I said the information with respect to the Île d'Orléans contract was relayed to the Minister of Transport and he said go full speed ahead. He in fact said full co-operation should be given. However, the decision to proceed in Quebec was taken by the RCMP.

Mr. McGrath: Mr. Speaker, the minister has not replied to my question as to when the decision was taken to carry the investigation beyond the contracts in Hamilton and Quebec City. Perhaps the minister can now tell us if criminal charges are pending or are about to be laid in consequence of any investigations into dredging irregularities which have taken place apart from charges already laid in connection with the Hamilton incident.

Mr. Allmand: Mr. Speaker, I do not have the date in my memory right now. Since the hon. member wants me to be specific, I will get the exact date and give it to him. I have recently been told that the investigation is still continuing into the Quebec area dredging contracts and that the police are not yet ready to lay charges, but they expect to be shortly.

Oral Questions

INVESTIGATION INTO DREDGING CONTRACTS—REASON FOR FAILURE TO ACT ON REQUEST BY CITY OF HAMILTON IN 1972 FOR INVESTIGATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary question for the Solicitor General. Keeping in mind that the minister indicated the city of Hamilton had the local police as well as the OPP involved with the investigators in connection with the Hamilton harbour, which indicates that something was going on, and keeping in mind that the city of Hamilton asked this government by way of a resolution on October 31, 1972, to conduct a full-scale open inquiry, can the minister now advise why that request by the city of Hamilton was refused at that time, particularly when we note that an investigation had been asked for subsequently, sometime around January 8, January 12, January 26, leading up to February 22, 1973. Why was the request by the city of Hamilton not recognized at that time, because it seems they knew what was going on and were seeking assistance.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, it is true that in September, 1972 some person or persons from the Hamilton city council came to the RCMP detachment in Hamilton with certain allegations of wrongdoing with respect to the Hamilton harbour. On examination of those allegations by the local detachment, the local detachment felt these were matters which gave rise to accusations under the Criminal Code and in the ordinary course such investigations should be undertaken either by the Hamilton City Police or by the Ontario Provincial Police. For that reason, the officials went to the OPP and the Hamilton City Police but the latter felt they did not have the resources necessary to carry on that kind of investigation—this is what I am told. So, the Hamilton officials went back to the RCMP, and the RCMP said that since this was a case which was usually dealt with by another police force they would refer the matter to higher officials. This they did, and on balance the RCMP decided that they would investigate after consulting with the Ministry of Transport, even though it was a case which would normally be dealt with under the authority of a provincial government. They did decide to investigate in any case, because the others were not ready to do so.

● (1440)

Mr. Alexander: It seems to me there was a lot of action in the City of Hamilton in and around September, 1972. I want to know why it took the government so long to involve the RCMP. We find out, now, that they were not engaged in a full investigation until February of 1973.

Mr. Allmand: The government did not interfere. It was not even aware of what was going on in the Hamilton detachment at that time. It was the Hamilton detachment of the RCMP itself which came to the decision that the matter was not within its jurisdiction at that stage. That was the judgment based on the facts as presented to the detachment. The matter only reached the level of officials in Ottawa, and the RCMP in Ottawa, at a later date. At that time, as the hon. member knows, an election was in progress, or had just been completed, ministers had been changed, and so on. But as soon as possible, after the matter had been brought to the attention of Ottawa, a letter was sent to me by the Minister of Transport and the investigation was under way.

[Mr. Allmand.]

* * *

NATIONAL DEFENCE

CANADIAN FORCES BASE, HALIFAX—ALLEGED VIOLATION OF RIGHTS OF PICKETERS

Mr. J. M. Forrestall (Dartmouth-Halifax East): A supplementary to an earlier question, Mr. Speaker. Might I direct a question to the Minister of National Defence and ask him whether or not he is satisfied, following investigations he may have caused to be conducted over the weekend, that the civil rights of picketers, legally on strike and legally picketing at the Canadian Forces Base, Halifax, were not violated? I have in mind searches conducted on their persons while they were on city streets, away from the Armed Forces Base.

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker, I am satisfied there has been no violation of civil rights. Reports today are that the picket lines are orderly.

Mr. Forrestall: Can the minister advise the House whether searches of private picketers, searches of their persons, did in fact take place away from base property and, if so, under what authority this procedure was followed?

Mr. Richardson: I cannot confirm that, Mr. Speaker.

* * *

INQUIRY OF THE MINISTRY

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. Has the minister written a letter or letters to Liberal Members of Parliament or Liberal Party members asking for the name or names of lawyers in the respective constituencies who support the Liberal party with a view to awarding CMHC mortgage business to these party supporters who belong to the legal profession?

Hon. Barney Danson (Minister of State for Urban Affairs): In no such terms at all.

Some hon. Members: Oh, oh!

Mr. Brisco: My supplementary question is this: has the minister sent similar letters to Conservative, Social Credit and NDP members of the House or their supporters?

Some hon. Members: Oh, oh!

An hon. Member: Answer!

IMMIGRATION

SUGGESTION MR. BAINS OF BRITISH COLUMBIA MIGHT QUALIFY FOR DEPORTATION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Since Communist Party Chairman, Hardial Bains, has advocated the forceful overthrow of the Canadian government and is now organizing a vigilante group in British Columbia would the minister agree that Mr. Bains qualifies for deportation under section five of the Immigration Act?

Mr. Speaker: Order. The hon. member will know that one of the restrictions during the question period is that a minister ought not to be asked to give a legal opinion.

* * *

FINANCE

PROPOSED TRANSFER OF EQUIVALENT OF FIVE PER CENT INCOME TAX CUT TO HOUSING BUDGET

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question to direct to the Minister of Finance. It arises from a CMHC report that housing starts in the last three months are down by 50 per cent compared with the same period a year ago, constituting the worst winter for house building in eight years. In view of this situation, would the minister consider transferring the equivalent of the five per cent tax cut on personal income to the housing budget, having regard to the emergency in the construction industry?

Hon. John N. Turner (Minister of Finance): I appreciate the thrust of the hon. member's question, but the motion her party put forward in connection with that five per cent tax reduction was intended not to stimulate the economy further but to control government expenditures. If the hon. member could tell me how to reconcile those two directions I would be happy to oblige her.

Miss MacDonald (Kingston and the Islands): What we were asking for was a transfer of moneys the government had already allocated. The fact is that total government spending has increased by 28 per cent while the capital budget for housing has been increased by only 12 per cent, which is less than the annual inflation rate, which indicates the low priority the government places on housing needs. If the minister is unwilling to increase the housing estimates, would he tell us what steps he intends to take to stimulate housing construction so as to combat the current recession, while at the same time providing an essential commodity.

Mr. Turner (Ottawa-Carleton): One of the government's priorities is to give sufficient leverage to the Minister of State for Urban Affairs to enable him to achieve a rate of housing starts equivalent to 210,000 a year.

HOUSING

INQUIRY AS TO GOVERNMENT MEASURES TO INCREASE NUMBER OF STARTS

Miss Flora MacDonald (Kingston and the Islands): My supplementary is directed to the Minister of State for Urban Affairs. I ask him whether, in the light of the fact that government expenditure has risen by 28 per cent while the housing budget is up by only 12 per cent, what steps he proposes to take to urge his colleagues to increase the housing budget so that housing starts may be sufficient to meet the vital need of the people?

Hon. Barney Danson (Minister of State for Urban Affairs): The hon. lady forgets that non-budgetary expenditures are up by 66 per cent, affording great assistance to Canadians in lower earning brackets; also, there is in effect a program for reducing interest rates in cases where assistance is needed.

* * *

INDIAN AFFAIRS

STUDY OF IMPACT OF PIPELINE CONSTRUCTION ON NATIVE PEOPLE—AVAILABILITY TO BERGER COMMISSION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I address my question to the Minister of Indian Affairs and Northern Development. It concerns the Berger Commission. Judge Berger has ruled that matters of gas processing and feeder lines and their impact on native people are within his jurisdiction. Would the minister advise the House whether his department is continuing to carry out an in-House study on this subject, a study which to some extent duplicates the Berger inquiry?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): It is our intention to carry out that study and to make available to Mr. Justice Berger this information and the results of the hearings in all the communities.

Mr. Leggatt: Would the minister tell us when he expects that study to be completed and turned over to the Berger inquiry?

Mr. Buchanan: If things move along as they should, I would hope it would be toward the end of his hearings in the latter part of this year.

* * *

FINANCE

SUGGESTED REDUCTION OF MORTGAGE INTEREST RATES TO INCREASE HOUSE CONSTRUCTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is supplementary to those asked by the hon. member for Kingston and the Islands. It is addressed to the Minister of Finance. I think it is generally accepted that one of the most important contributing factors to the slowing down of house construction has been high mortgage interest rates. Is the minister planning any action to reduce

mortgage rates in general as they affect housing construction?

Hon. John N. Turner (Minister of Finance): Mortgage interest rates have declined over the last month or so by one, to one and a half per cent, to two points, and in certain cases housing mortgage rates are, in effect, subsidized under the Assisted Home Ownership Program operated by my colleague, the Minister of State for Urban Affairs.

* * *

● (1450)

IMMIGRATION

DEPORTATION ORDER AGAINST HARI CHARAN SINGH—REQUEST FOR REVIEW

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I would ask the Minister of Manpower and Immigration whether he is aware of the case of Hari Charan Singh, a former policeman in Fiji, who last week was ordered deported after five years respectable residence in Vancouver? Will the minister investigate the circumstances surrounding the lifting of landed immigrant status from the father of a Canadian citizen, with a view to allowing this family to stay together and continue their new life in Canada?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this case has just been brought to my attention and I have requested the full preparation of the file so I can review it. Preliminary indications are that Mr. Singh entered Canada in January, 1970, on a visit and applied to remain permanently but failed to meet the selection criteria, so was subsequently ordered deported. He appealed that order to the Immigration Appeal Board and on August 20, 1973, the board ordered that he be granted landed status and the department was under the obligation then to proceed with landing. In that process, certain evidence was produced and placed before the department requiring referral of the case back to the Immigration Appeal Board. A subsequent rehearing resulted in the order for deportation. This is perhaps unfortunate in many ways, but it is the process of law. I am in the process of looking at the case to see what discretion I may or may not have. Certainly, the proper procedures under the law, have been followed, although admittedly it is an unfortunate case.

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BILINGUALISM

REFERENCE TO STATEMENTS BY MINISTER OF NATIONAL DEFENCE IN "MACLEAN'S" MAGAZINE

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I would ask the Acting Prime Minister whether the Minister of National Defence was expressing the government's view on Canadian bilingualism in the March issue of *Maclean's* cover story in which the author Ms. Marci McDonald, writing a biographical exposé on the hon. gentleman indicated "and it is no secret that his hangups are about the French-English question. James Richardson in fact believes that bilingualism is leading us to wrack and ruin"?

[Mr. Yewchuk.]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as far as I am aware, and I have had many conversations with my colleague, he supports government policy.

Some hon. Members: Oh, oh!

Mr. McKinnon: Mr. Speaker, I would direct my supplementary question to the Minister of National Defence. Does he deny the direct quotation which is attributed to him in the article on the subject of bilingualism which is as follows:

> You don't know how frustrating it is that I can't put my views on the record. It's really more important to me than the west.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I confirm what the Acting Prime Minister has said on the question of bilingualism. As long as I am a member of this government I support government policy.

An hon. Member: And with such willingness, too.

Some hon. Members: Oh, oh!

* * *

CRIMINAL CODE

BETTING AT RACE TRACKS—INQUIRY AS TO GOVERNMENT POLICY

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I should like to ask the Acting Prime Minister whether it is the intention of government policy to go into the betting business at race tracks under the jurisdiction of the federal government?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will take those representations under consideration.

Mr. Lambert (Edmonton West): That is not a representation, it is a question.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in following up my preliminary question, which was, whether or not it was government policy, to which he answered that representations have been made, under which department will this nefarious type of activity be placed?

Mr. Sharp: Mr. Speaker, the purport of my previous answer was that this was the first time I had heard the suggestion and I thought it was coming from the hon. gentleman.

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—GOVERNMENT VIEW OF ALTERNATIVES TO CONFRONTATION AS METHOD OF SETTLING

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I should like to come back to the earlier series of questions on the problems we are having in the public service, addressing my question to the Acting Prime Minister. Is it government policy to stay with the bilateral confrontation method in settling these disputes rather than explore other methods which have been proposed, such as a public interest disputes commission, or perhaps the final offer suggestion, both of which have been put forward?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, these are the kind of general questions that are under discussion in the special committee which is considering the Finkelman Report. I hope that hon. members, such as the hon. member who posed the question, will take the opportunity of making their views known. These are serious questions. At the present time, however, this is not the law and we have to negotiate under the terms of collective bargaining.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, is the Acting Prime Minister suggesting that the government feels bound to avoid any other means or any other forum in trying to settle this matter in which the public interest is deeply involved?

Mr. Sharp: No, Mr. Speaker, and that is the reason we supported the establishment of the standing committee.

Mr. Knowles (Winnipeg North Centre): The special committee.

Mr. Sharp: The special committee, I am sorry, which is studying the Finkelman Report. This is an opportunity to review in depth all those arrangements, and I hope there will be very active participation with many suggestions from members on the other side of the House.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I rise on a question of privilege. I misunderstood or did not hear the answer the Acting Prime Minister gave to my question. I asked whether it was federal government policy to put the federal government into the betting business at horse racing tracks, and I thought his answer was that the government had received representations. I am informed by my seatmate that in his answer he actually thanked me for my representations. The point I want to make clear right now is that the Acting Prime Minister did not answer my question which was, is it federal government policy to put the federal government into horse racing?

Mr. Speaker: Order, please. If I recall correctly, the last answer of the President of the Privy Council was that this was the first time he had heard about it, and he took it as a representation by the hon. member who put the question.

Oral Questions

CONSUMER AFFAIRS

FERTILIZER—GOVERNMENT ACTION TO PREVENT EXORBITANT PRICES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, what action is the Minister of Consumer and Corporate Affairs taking to prevent the fertilizer industry from charging exorbitant prices for ammonium nitrates and other fertilizers to farmers in eastern Canada as alleged is the case by his colleague, the Minister of Agriculture?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, when the government has introduced its bill on unfair prices, it can then resort to it if need be. I hope the hon. member will support us in our endeavour when we do introduce it to the House.

* * *

[*English*]

EXTERNAL AFFAIRS

PALESTINIAN LIBERATION ORGANIZATION—GOVERNMENT VIEW OF OBSERVER STATUS AT GENEVA NEGOTIATIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Terrorist guerrillas captured after the raid on a hotel in Tel Aviv have said they were told to blame Egypt for the attack, and Al Fatah has claimed credit, if that is the right word, for it. In light of the fact that there appears to be a deliberate attempt to sabotage settlement negotiations in the Middle East, what has the government to say as to what the effect will be of Canada's recognition of the PLO as an unofficial party to or as an observer at the Geneva negotiations?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, on Friday last I issued a statement on behalf of the government of Canada expressing our condemnation of these acts of terrorism, or this particular outrage which cost the lives of innocent people. We have previously condemned these acts of terrorism, but this particular one seemed more outrageous than the others. In respect of the question my hon. friend has asked about the observer status of the PLO, you may remember that when the resolution requesting observer status for the PLO was put at the United Nations the government of Canada voted against that particular resolution which would have accorded the PLO observer status at the United Nations. In regard to the Geneva conference, to which my hon. friend has referred, that seems to be somewhat far in the future, and at the moment I am not aware of what the ingredients might be of the resumed Geneva conference.

● (1500)

Mr. Brewin: I have a supplementary, Mr. Speaker. In light of the fact that the PLO appears to have been a party to sabotage, which affects all peace settlements between Egypt and Israel and between other countries in the Middle East and Israel, will the minister on behalf of the government and on behalf of Canada oppose any attempt to draw that particular element into the negotiations.

Mr. MacEachen: Mr. Speaker, I, along with the hon. member, deplore the effect that this particular act of terrorism might have on the negotiations that are now being conducted by Dr. Kissinger whose peace-making efforts in the Middle East we support. In respect of the second part of the question, I believe this is hypothetical at the moment, but when the situation arises the government will make its position clear.

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MANPOWER

OPPORTUNITIES FOR YOUTH—DELAY IN RECEIPT OF APPLICATIONS FOR GRANTS AS RESULT OF POSTAL STRIKE—GOVERNMENT ACTION

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the prolonged delays in the mail service, particularly in the Toronto postal station, which delays have resulted in many applications for Opportunities for Youth grants not reaching the provincial offices, I should like to ask the minister what provisions if any he has made to overcome this problem.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we all hope that the interruptions are not a long duration and will be resolved very soon. In the meantime, within my responsibility, where there are documents or grants involved, or where income support is involved we will do everything possible by direct action or pick-up to see that the process is not unduly delayed.

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LABOUR CONDITIONS

STRIKES AT PORT OF VANCOUVER—PROPOSAL GOVERNMENT ASSUME DEMURRAGE CHARGES ON SHIPS WAITING TO BE LOADED

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Acting Prime Minister. The statement by the President of the Treasury Board that the government has a great deal of patience would seem to suggest that the government is prepared to wait out this strike on the west coast. I am wondering whether the acting Prime Minister would have the government undertake, from this day forward, to pay out the demurrage charges in respect of the number of boats that are accumulating there?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker.

* * *

TRANSPORT

URBAN TRANSPORTATION ASSISTANCE PROGRAM—DEFINITION OF WORDS "COMMUTER SYSTEM"

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a question for the Minister of Transport which I asked him on Friday, and of which I sent notice a second time. With regard to the urban transportation assistance program, what steps is the minister taking to ensure that the words "commuter system" will be defined to include municipal transit systems, so that, for example, the Northeast Rapid Transit line in the city of Edmonton will qualify for federal assistance in the amount of 100 per cent in respect of the cost of vehicles and 50 per cent of the cost of stations and platforms?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we are just preparing a brief for cabinet, with my colleague the Minister of State for Urban Affairs, and as soon as a decision is taken in cabinet, I will be happy to communicate the result.

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URBAN AFFAIRS

RAPID TRANSIT—ALLEGED CONFLICT WITH MINISTRY OF TRANSPORT ON DEFINITION OF WORDS "COMMUTER SYSTEM"

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a supplementary for the Minister of State for Urban Affairs. I want to ask him what action he is taking to resolve the conflict between the officials of his department and the officials of the Department of Transport regarding the definition of commuter system so that the assistance will be the same for rapid transit vehicles between municipalities as well as within a municipality.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the hon. member used the term conflict. There is never conflict between the officials of the Ministry of Transport and my ministry. There has been the greatest co-operation. Sometimes there is a disagreement, but we always reach an understanding. As my hon. friend said we will be bringing in a document in this regard in the near future.

* * *

EXTERNAL AFFAIRS

CONFERENCE OF OIL PRODUCING AND CONSUMING COUNTRIES—POSSIBILITY OF REPRESENTATIVE OF CANADA ATTENDING

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Secretary of State for External Affairs. He has stated that there will be an important meeting between the oil-producing and oil-consuming countries which will open in Paris on April 7. As I understand it, the talks will cover not only future oil pricing policies but also trade in key raw materials in which Canada is vitally interested. Since this really will be a face-off between the industrial world, the oil-producing countries and the poorer developing countries is the minister planning to attend this conference to discuss not only oil problems but also the stabilizing of world trade in raw materials which is a topic of major concern to our country.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I take it that my hon.

friend is referring to the preparatory conference which is to be the prelude to a major conference of oil producers and oil consumers. Canada is not one of the invitees to the preparatory conference. It has expressed interest in attending. I have expressed the interest of Canada in attending the preparatory conference, but because there was an effort to keep the preliminary list down to the smallest number that wish was not acceded to. But we do expect to be in attendance at the full conference to which this preparatory conference is but the prelude. The preparatory conference will determine, among other things, the agenda and it may be possible that the subject of raw materials might be on the agenda of the main conference.

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[*Translation*]

CANADIAN NATIONAL RAILWAYS

REQUEST FOR RESTORATION OF CERTAIN SERVICES IN NEW BRUNSWICK

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I would like to direct a question to the Minister of Transport, to whom I did not have the opportunity to give notice of my question.

Considering that the CNR, in New Brunswick and in certain parts of the Atlantic region, keeps reducing or discontinuing services which people look upon as essential and which are partially subsidized by the federal government, would the minister ask his "hawks" to consider this question immediately with a view to restoring those services as soon as possible? I am referring specifically to night trucking services between Moncton and Edmunston, the two outermost localities of the province and all the intermediate points.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will certainly transmit the hon. member's representations to the Canadian National Railways.

* * *

[*English*]

COMMUNICATIONS

RATES CHARGED BY CABLEVISION COMPANIES—REQUEST FOR INVESTIGATION OF MANNER OF COLLECTION

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, through you, I should like to ask the Minister of Communications if he would undertake to ask the CRTC to investigate, and if necessary issue guidelines to certain cable television companies, the manner in which these companies collect rates recently authorized by the CRTC.

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Yes, Mr. Speaker, I have acquainted myself with the newspaper reports on this subject and I shall be very happy to convey to CRTC the hon. member's representations.

[*English*]

HEALTH

EFFECT OF POVERTY ON CHILDREN—SUGGESTED CONSULTATION WITH PROVINCES ON ADOPTION OF FOOD PROGRAM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of National Health and Welfare and is really supplementary to a question asked by the hon. member for Winnipeg North Centre on Friday. In view of the disturbing number of children who are suffering from poverty, and in view of the fact that many schools across the country are indicating concern to the provinces about the fact that children are unable to participate in their studies because of a lack of nutritious food, would the minister treat this matter as an emergency and consult with the provinces in order to come forward with some sort of a program so that the children may obtain the nutrition they require.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this matter comes under provincial jurisdiction. All social services are now under study with the provinces within the context of the social welfare review.

[*English*]

Mr. Speaker: The hon. member for Dauphin.

Mr. Ritchie: Mr. Speaker, the acting Minister of Labour has left the House, so I shall defer my question.

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[*Translation*]

EXTERNAL AFFAIRS

POSSIBLE PAYMENT BY CIDA TO SINTEC—GOVERNMENT POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to put a question to the Secretary of State for External Affairs.

Since the bankruptcy of Sintec has now been made public, could the minister inform the House whether CIDA made any payments to this corporation for works carried out in the establishment of a telecommunications system in Zaire and, if so what amount has been paid up to date?

[*English*]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I can provide the information for my hon. friend. I do not have it at the moment, but I will guarantee that he will have it later this week or before that.

Privilege—Mr. Cossitt

THE CANADIAN ECONOMY

POSSIBLE ACCORD OF MINISTER OF FINANCE WITH VIEWS OF LEADER OF OPPOSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Minister of Finance in view of the depressing statistics we have been receiving in recent weeks about the growth of the economy and the unemployment figures, which I think are to come out tomorrow and which the minister probably has now. I should like to ask the Minister of Finance whether, in view of the tremendous respect he has paid during the past week or two to the opinions I have expressed in the past with regard to the economic policy, he feels he needs my permission to engage in any policy now to stimulate the economy. If he could assure me that he needs my permission or advice, I would be very pleased to let him have it.

● (1510)

Some hon. Members: Oh, oh!

Hon. John N. Turner (Minister of Finance): In view of the parliamentary system under which we operate, I never felt that I needed the hon. gentleman's permission, but I always appreciate his support.

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BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, I rise on a point of order. I should like to ask the government House leader whether he is now in a position to state what government business will be proceeded with tomorrow and the next day.

Mr. Sharp: Tomorrow we will resume debate on the second reading of Bill C-50, the Agricultural Stabilization Act, followed in this order by the report state of Bill C-13 and Bill C-48. Then, if we manage to get past those bills, we will take up Bill C-25, resumption of the debate on second reading on the contaminants bill and, Bill C-19, the report state of the bill on two price wheat. On Wednesday, we will take as the first order of business Bill C-8, the bill to establish Petro Canada.

Mr. Marshall: I have a supplementary question which I should like to put to the President of the Privy Council. Could the minister say, in view of the concern and the promises made over the past two or three weeks, when the Hermann report will be referred to the Standing Committee on Veterans Affairs. Time is passing and the committee is awaiting the report.

Mr. Sharp: I will talk to my colleague immediately and we will put it on the Order Paper.

Mr. Cossitt: Mr. Speaker, I rise on a question of privilege arising out of the answers to two questions on the Order Paper given today which were recently delivered to my desk. I refer to questions No. 1,041 and No. 1,042 which ask for certain details of LIP projects investigated by the RCMP in the past several years. The answers today stated that two projects, applied for by Mr. Guy Poulin in the constituency of Montreal-Bourassa, involved fraud with sums of public money involved, in one case amounting to $193,581 and in the other almost $60,000. The answer stated that charges are being laid by the RCMP.

My question of privilege is this. It seems to me a breach of my privileges and the privileges of all members of the House that the Minister of Manpower and Immigration (Mr. Andras) in giving these answers hides the identity and the names of the persons who recommended the acceptance of these fraudulent projects. He has no authority extended to him by the House to hide such information with the words:

> The Department of Manpower and Immigration regards as confidential the names and content of all representations made to the minister or the department.

On what decision of the House was the withholding of legitimate information undertaken? Can a government department override the will of the House? Surely, it is within my rights and the rights of any hon. member to ask for legitimate information and not to have this information refused by a government trying to protect its political hide.

I raised a similar matter to this a week or so ago. I feel that members of the House, such as myself and others, have the right to have our questions answered honestly and accurately, and not refused in the way they were today, especially when the case involves the defrauding of the public purse to the tune of a quarter of a million dollars. I think we have the right to know who did it, who recommended the projects, and all the details. I think it is shocking that the minister hides behind some pompous phrase and that he has taken it upon himself not to make this information available. I think the House has every right to demand this information, and I think it is within the rules for me to raise it as a question of privilege.

Mr. Speaker: With the greatest of regrets I must differ with the last statement of the hon. member for Leeds (Mr. Cossitt). The fact of the matter is that under our existing rules there is not even an obligation upon a minister to give any answer at all, and in providing an answer, whatever information he proposes to retain on a confidential basis, or for some other reason, is within his discretion. As the hon. member well knows, the action on his part may be the subject of debate, which it surely is, but under the rules as they are presently drawn, it does not constitute a question of privilege.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT FAILURE TO PRESENT CO-ORDINATED TRANSPORTATION POLICY

Mr. Don Mazankowski (Vegreville) moved:

> That this House condemns the government's failure to present a co-ordinated transportation policy.

He said: Mr. Speaker, I believe the timing of this motion bears some significance for it was one year almost to this day—on March 7, 1974—that the Minister of Transport (Mr. Marchand) in a speech to this House said the following, as recorded at page 267 of *Hansard:*

We do not have what we can call a real policy for the future. If I stay in this post I shall surely ask the authority of the Prime Minister (Mr. Trudeau) and the cabinet to try to elaborate this kind of policy so that we know where we are going.

Perhaps I should repeat the last phrase, "so that we know where we are going," because in a nutshell it summarizes the state of affairs in which we find ourselves. Judged on its performance, this government and this minister simply do not know where they are going in developing a national transportation policy.

Some hon. Members: Hear, hear!

Mr. Mazankowski: The minister went on to say, as recorded at page 268 of *Hansard:*

Something we do not have is a real policy and I hope that sooner, rather than later, it will be possible to have such a policy.

The question that one must ask is this: after we have gone through a general election campaign in which the subject of transportation was one of the major issues, after the Liberal Party received a mandate, after the Speech from the Throne, and after a signal of willingness from all parties of the House to co-operate in developing a worthy national objective, where is the government's policy on transportation? We still have nothing that resembles, in the slightest sense, a comprehensive, national transportation policy. In fact, by the minister's own admission on January 23, 1975, as recorded at page 2530 of *Hansard,* there was then still no over-all policy and the means of transportation had not been integrated.

That is the purpose of the motion I have introduced in the name of my party today. This is our way of registering our protest against this government and against this minister for their inaction and for their disjointed approach to this very important and vital matter. Where are we going, and what has happened? The minister indicated himself on March 7, 1974, that transportation was in a mess. On October 3, 1974, in another speech to the House, he reiterated that statement by saying, in reference to his speech of March 7:

There is not a single sentence in it that needs to be changed.

That was said in October. It is significant that at the time the minister first made his comments about no policy and the fact that transportation was in a mess, he was praised by the news media for his candour, his frankness and his originality. However, as time passed the phrase was reused and it began to wear thin. We found the minister referring to that phrase only on rare occasions when he was in a state of depression or flippancy, as he did on January 22, 1975, as recorded at page 2509 of *Hansard*—almost a year later. In response to a question posed by the hon. member for Cape Breton-East Richmond (Mr. Hogan), he repeated that we have no over-all policy and, further, he agreed that transportation was still a mess, "and more than you think".

● (1520)

This simply means, in the words of the minister, that no progress has been made. The minister can shake his head in the negative: I do not know what interpretation he puts on those phrases. But what is more astonishing is the fact that the minister attempts to blame the Conservatives for the mess, as he did on January 22, 1975, when he said as reported at page 2509 of *Hansard:*

—while the Conservative Party was in power they did nothing to correct this mess.

That was twelve years ago. I should not have to remind the minister of some of the bold initiatives which were taken during that administration. I think the minister knows very well, and surely he should not have to be reminded, that it was a Liberal government of which he was a member which developed the present National Transportation Act which to this day provides the umbrella of transportation policy in Canada and from which he now, for the sake of expedience, conveniently attempts to dissociate himself.

Mr. Baldwin: It's a leaky umbrella.

Mr. Mazankowski: Mr. Speaker, a year ago the minister said that this policy was fundamentally wrong. If it is fundamentally wrong, what does he propose to do about it? He is in command; he is in power; his party is in power. His party certainly had all the answers at election time, but today we see the minister resorting to his old tactics of political gamesmanship and phony rhetoric.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I am the first to acknowledge the minister's ability in debate: I commend him for the spirit, the enthusiasm and the vigour with which he pursues topics in debate. But last Friday, once again, he showed his weakness when, desperately on the defensive, he tried to turn the subject around. He tried to distort the issue by blaming the Conservatives and asking them for their policy. This is the kind of slick political gimmickry we do not buy: we find it devious and deceitful.

We have a policy, and if time permits I will enunciate some of the broad objectives in our approach to policy. Surely the minister and his colleagues know our policy very well because some of our proposals found their way into Liberal propaganda and into the Speech from the Throne. If they would move toward implementing some of the proposals we have advocated we would be the first to support them. The fact of the matter is that our policy is not the issue; the issue, on the subject of transportation, is the Liberal government's policy. So far, it can best be summarized as one big, fat question mark.

An hon. Member: Zilch!

Mr. Mazankowski: The issue is the failure of the government to fulfil its promises. This government was elected to lead. It is its responsibility to bring forth a national transportation policy based upon its election platform, based upon the promises advanced to the Canadian people and based upon the mandate it received in the July election. And if it fails to deliver, we can only assume that it deliberately misled the Canadian people, that Canadians

were sold a bill of goods; and if that is their only defence, then the minister should stand up and sincerely and courteously say so.

Mr. Stanfield: They should all be in jail.

Mr. Mazankowski: Or, as my leader suggests, they should all be thrown in jail. And that is not all. The minister repeated last Friday another of his well known tactics. Once again he tried, vainly, to distort the issue by suggesting that the debate represented a personal attack upon him and upon his French-speaking colleagues.

Some hon. Members: Shame.

Mr. Mazankowski: Such insinuations are cheap and inflammatory, and they are obviously weak-kneed excuses for his incompetency and ineptness.

Some hon. Members: Hear, hear!

Mr. Manzankowski: Quite frankly, my colleagues and I have always thought of ourselves as being Canadian. Notwithstanding different ethnic backgrounds, I think the minister should think the same. Speaking for myself, in the arena of politics and standing up for what I believe in in this chamber and outside, I have never taken any remarks against me as personal or racist, and there is no reason in the world why the minister should not do likewise.

Some hom. Members: Hear, hear!

Mr. Mazankowski: We all know that the minister is charming and delightful; he is disarming and candid. But I say to him in all sincerity that whether he is French, English, German or Polish, he has not proved himself to be competent in his portfolio, and until he proves otherwise my view will remain the same. The Ministry of Transport and the minister himself can best be summarized as being in a state of suspended confusion with regard to Canada's transportation system. One can only sympathize with the very hard working, dedicated people attached to that department who have been starved of leadership and direction and who have been promised government leadership but, instead, have received nothing. I am not alone in reaching that conclusion. A well known and well respected journalist, Mr. W. A. Wilson—I presume the minister would not place him in the same category as Mr. Fisher or Mr. Barkway—in the February 3 issue of the Montreal *Star* headlines it as "A transport policy run-around, nothing achieved".

Mr. Marchand (Langelier): Mr. Speaker, on a point of privilege, I never attacked Mr. Barkway. On the contrary, I cited him and I said that he was right.

Mr. Mazankowski: That may or may not be a point of privilege, but I simply want to reiterate the fact that there are some journalists who are objective. The Minister of Transport may have his views and opinions on some of them, but I believe the person whom I have just quoted, namely, Mr. Wilson, is indeed an objective, well respected and well known journalist and I think his comments and summary should not go unnoticed.

[Mr. Mazankowski.]

Let us look for a moment at some of the commitments and promises advanced during the election campaign of 1974. It seems to me that the minister has a short memory, as do some of his colleagues who support him. Their objective seems to be to say anything that will win votes, and hope that the opposition and the people will forget. But we shall not forget the promises that were made; we shall not forget the commitments. We shall remind this minister and this government, at every opportunity, of the commitments and promises they made to the Canadian people.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I wish to put a few things on the record which are included in the $2 billion transportation package unveiled back on June 19, 1974. I will quote in some detail because it seems the minister must be reminded of some of the commitments and promises which were made. The June 19 press release of the minister, given at a news conference, reads as follows:

> Transport minister Jean Marchand today announced sweeping changes in the institutional structures which manage Canadian transportation, a radical departure from past transportation philosophy and a comprehensive set of new transportation programs for Canada. "These changes and these programs are going to move Canada toward world leadership in the use and construction of passenger and freight transportation systems. We are reaching for world leadership in quality equipment and systems", Mr. Marchand said.
>
> Canada is going to be given a new generation of management mechanisms—and a new set of programs—for transportation . . .
>
> The government is going to develop a new relationship with the Canadian Transport Commission, and with the private sector and Crown corporations which provide transportation to Canada, to ensure that the government can review and co-ordinate plans formulated by our transportation industry. The Minister of Transport will have all the authority he requires to put policy into place and make it work, and to ensure key national priorities are not sacrificed to other considerations. It will be the federal government, on behalf of the Canadian people, that will play the leading role in managing transportation policy in Canada.

● (1530)

It goes on to say that a Canadian passenger transportation corporation will be brought into existence, and later it says:

> Federal support will be made available to municipalities for both the design and financing of top quality Canadian designed and built city and suburban transit systems.
>
> Air services to Canada's populated remote areas will be improved. "In effect, we are moving toward abolishing the term 'isolated' from the Canadian vocabulary as far as Canada's populated remote communities are concerned," Mr. Marchand said. "We are going to guarantee first class citizenship to residents of Canada's remote areas through equal quality transportation networks."
>
> A second major priority of these new transportation policies will be the redevelopment and upgrading of Canada's rail and port systems so that Canada can handle the doubling of its exports expected within the next seven to ten years. A central part of this thrust will be a "reserve freight car fleet" . . . a new "national freight car leasing corporation."

This is hilarious. It continues:

> In the west, railway access from the prairies to the west coast and to Thunder Bay is going to be strongly upgraded. This program will involve strengthened rail roadbeds, some double tracking and eventual electrification. The government will be launching a comprehensive program to improve railway access to the ports of Vancouver and Prince Rupert . . .

The third major priority of these new transportation policies is the removal of regional inequities in freight rates. Mr. Marchand said it has been demonstrated over the past six years that the principle of competition on which Canadian freight rates has been based, that is, competition between different modes of transport supposedly resulting in fair and low rates, has not worked for many areas in Canada. The Liberal government will adopt the principle of consistent and equitable pricing of freight rates rather than the old "what the traffic will bear" principle. "This will be a dramatic change ... a "Transportation Information Act" will be introduced ...

New legislation will make it clear that henceforth the Canadian Transport Commission will be exercising its powers within the guidelines of government policy. The CTC will function less as a "court of record" and apply regulations in a fashion that encourages the positive development of the Canadian transportation system ... "Canadians deserve a transportation system that matches the imagination of the country—and they are going to get one," Mr. Marchand emphasized.

It goes on to deal with urban transportation policies and then continues:

The Liberal government will ensure adequate funding for capital expenditures from both public and private sources to meet the public's minimum capacity and service expectations in transportation.

I could go on and on. But what happened to those lofty proposals? They were lost somewhere between the election and the Speech from the Throne. The Speech from the Throne advanced about ten specific commitments, but to this date action has been taken on only one, Bill C-48, the amendments to the Railway Act. The opposition co-operated in the passage of that bill by allowing limited time for debate in the House. It was considered in committee at two short meetings and has been proceeded with. If this were such a priority item, one might ask why it took so long for it to be introduced.

The Speech from the Throne referred to grain handling and the urgency of facilitating grain movement. But no plan of action has been brought forward. We must give the government credit for moving to end the strike which stopped grain shipments last September, but we must also ask why it hesitates to act now. Grain has been tied up on the west coast since February 17. Is it not considered essential to move it because there are two different parties involved, or is it because the government has a policy of selectivity in disputes of this nature?

The situation is urgent and people in the world are starving. In the port of Vancouver, the Liberian tanker which was destined to carry the largest grain cargo ever sent to the hungry and starving people of Bangladesh remains tied up, half loaded. Close to 50 ships are waiting now, and demurrage charges are piling up all the time. In the last year, demurrage charges to farmers in Canada were $17 million. Grain has not moved for three weeks, Mr. Speaker, and sales are being lost. The forward sales arranged last year were made on the basis of price set at the date of delivery. We all know that wheat prices have dropped significantly over the past 60 days. It has been estimated that Canadian producers will lose in the order of $200 million or $300 million because of the delay in delivery.

Canada's economy is being severely impaired. In total, the public interest is being severely undermined. I believe it is time for the government to act. In my view—and this is only my view—it is time the movement of grain in this country were classified as an essential service and the right to strike withdrawn.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I say this after a great deal of deliberation, Mr. Speaker, because of the importance of the grain economy to this country and the importance of our international reputation. I do not believe we can tolerate this situation any longer. Surely when lives and Canada's reputation are affected it is time to put an end to this stupidity and nonsense. We must be the laughing-stock of all nations. Surely we can manage our affairs with much more command, with more order and sensibility. The government must seriously consider ways to stop this horrendous waste now and in the future. For goodness sake, in the name of humanity let us inject some sensibility into the handling of this important matter. This must come, and it can only come through government leadership.

Some things have been done by this Minister of Transport, and I want to give credit where credit is due. There have been a number of studies—the roadbed study, Alberta's equitable pricing technique, Manitoba's destination rate principle—but of all these studies and seminars only one has been tabled, and that was done before the committee. Why all this secrecy? These studies were paid for with public funds and were supposed to be for the benefit of all Canadians. It seems to me that members of this House are entitled to this information, Mr. Speaker. But this is another example of the government's contempt for members of this House. Surely, if we are to consider national transportation and the objectives of a realistic and comprehensive policy, all members should have the benefit of studies that have been carried out to date.

There have been meetings in the west and in the maritimes, technical committees and federal-provincial committees. The minister in charge of the Wheat Board even has his own study group apparently working in isolation from the others. But we have not seen any progress reports, Mr. Speaker. What are they doing? What guidelines do they operate under? We get the odd communiqué, but basically this information is for political consumption. A communiqué issued on February 24 was described by some as a breakthrough, but in reality it was only a regrouping of anomalies and amounted to nothing more than a repeat of a commitment given two years ago.

The best we can say is that the steps taken to date represent a hodge-podge, a patchwork of proposals without any national direction or purpose. The same disjointedness and inconsistency applies when members seek information in the House or in committee. Anyone who wants to review the situation should read the debate that took place on the estimates on October 23, or the minutes of some of the committee hearings. It is no wonder members of the House are frustrated. When we get into major items such as the Crowsnest freight rates, rail line abandonment or policy issues we only get evasive or flippant answers; and, when we speak to different ministers we get different answers.

● (1540)

So far as the Crowsnest freight rates are concerned, the minister in charge of the Canadian Wheat Board is calling for a complete review. The Minister of Transport has indicated that no officials in his department are reviewing the Crowsnest freight rates, and that certainly there is no

intention to modify them. So we have that double standard. Then there is the rail line abandonment issue which must be considered. About 6,000 miles of trackage is due for study and review. We get one answer from the Minister of Transport and another from the minister in charge of the Canadian Wheat Board. The question of the rapeseed freight rate case has been the subject of consideration by the CTC since 1970. An interim decision was handed down in 1973. There was an appeal to the cabinet in March of 1974, but still no action has been taken.

The minister asks where is our policy. When we look at the question of air policy, where is their policy, Mr. Speaker? So far as third level air carrier service is concerned, on March 7, 1974, the minister stated, as recorded at page 267 of *Hansard*, that we would be silly to establish a third carrier air system. Then during the election campaign we were told that there would be a third level air carrier service developed in Canada, engineered, managed and with assistance provided by Air Canada. Last Friday the Minister of Transport as reported at page 3893 of *Hansard*, said:

We are now formulating a comprehensive system, a third level of regional carriers.

There is inconsistency on the part of the Canadian Transport Commission, the minister and the Prime Minister (Mr. Trudeau). The CTC is evidently operating in a vacuum with respect to regional and third level carriers. There is no pattern to any of the actions that either the commission or the ministry have taken to date. We have unfulfilled commitments, no planning, no co-ordination—just ad hoc, political gimmickry.

It is, surely, essential that this country be linked by and served with the safest, most efficient and effective transportation system known. It is as important as, if not more important than, issues such as energy, communications, health and welfare, the economy, the constitution or the Mackenzie Valley pipeline. I mention these specific items because they have been the subject of consideration by first ministers' conferences, federal-provincial conferences and national forums. Transportation is by no means a small item. We spend well in excess of $15 billion a year on transportation, more than on food and the federal health budget. Surely we must stop dealing with transportation in little bits and pieces here and there.

Having regard to the importance of transportation to this country, the link it provides in maintaining national unity and the role it plays in achieving social and economic justice, I believe the time has come to convene a national conference on transportation to deal with this national problem in a national way. It should be a conference that will draw together the various provincial and federal governments, the various modes of transportation, all the elements of our transportation system and those who are specialists in the field. I think such a conference should be broad enough to allow input from all interested parties. The federal government would naturally have to define the national goals and objectives—the guidelines, if you wish—and serve as a leadership catalyst.

In this over-all review, with all elements working together, it seems to me that a broad, national consensus may be achieved that would serve as a national instrument for achieving unity and national purpose. I admit it might be difficult to achieve such consensus, but I do believe it is possible even though it is a very complex subject. I believe it can be achieved, I believe it should be achieved, and I recommend this suggestion to the minister.

I should like to continue, Mr. Speaker, but I see that my time has practically elapsed. I will close simply by saying that the subject of transportation is indeed a very serious one. It is something that should not become a game of political gimmickry; it is an issue that is far too serious for such tactics. In my opinion, transportation in this country is at a critical juncture. It requires strong, determined leadership—not phony showmanship or political gamesmanship.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want first of all to say that I agree with the motion before the House today. I believe the issue of transportation is very complex and complicated, and is very badly co-ordinated and planned throughout the economy. Transportation is central to the future development of this country. It is essential to the present economy and to almost every walk of life. In fact, if you examine the transportation system in this country you find that the minister was not only right when he said that, essentially, transportation is in a mess, but historically it has served the interests of the CPR and the huge corporations in terms of facilitating their profit motives rather than providing the people of Canada with service. it has perpetrated a hinterland economy to the detriment of areas like the north, the prairies, many parts of Quebec and the Atlantic provinces and to the favour of the golden horseshoe area and the lower mainland of British Columbia, to give two examples.

I should like to give some examples later in my remarks of how our transportation and freight rates systems discriminate against western Canada and the prairies, but I think transportation itself typifies or personifies the very nature of our unplanned economy. We find ourselves often subject to the many whims of international economics, particularly those of the United States. We are suffering, in this country, from unemployment and inflation but many of our problems stem from the fact that we have a transportation system that is inefficient and does not allow certain areas of the country to thrive as they should. These are anomalies that must be removed.

I think the greatest tool to fashion a regional development policy in this country is massive subsidization of freight rates in the maritimes, many parts of Quebec, the north and the prairies. The present freight rates structure discriminates against the processing of raw materials in those areas and favours such processing in the golden horseshoe, particularly the city of Toronto. It is cheaper to ship livestock from Saskatchewan to Toronto than it is to ship the processed product. Therefore, this means we are exporting jobs from Saskatchewan to Toronto.

We in this House must get the government to become serious about transportation and to pour hundreds of millions of dollars into equalizing freight rates and removing these anomalies. Perhaps we should favour areas that are now discriminated against. We must have equality of conditions if the maritimes are to be developed. One of the first steps we must take is to provide potential industries in these areas with equalized freight rates to enable them to ship finished goods from the maritimes, the north or the

prairies at basically the same cost as shipping products from one of the larger urban centres.

We should have, as minimum objective in this country, a freight rates structure that is no more expensive for any part of the country than the average rates in the United States. As long as we do not have this, there is no way we will be able to compete with industries in the United States. For years Canada has been an exporter of raw materials and an importer of finished goods. We have been exporting more capital than has come in by way of new investment. We have been exporting jobs because we do not refine and manufacture our raw materials. Before we can attempt to do this in a planned industrial economy, we need a freight rates system that does not discriminate against manufacturing goods. Indeed, we should provide incentives not to discriminate.

For the last two years the government has been saying that transportation is in a mess. When the minister first said that a year or two ago, I was very pleased by his honesty, frankness and candour before the House. But I have now reached the point where I am becoming very frustrated at the lack of action. The minister has had about two years to go through his department, study it, meet with ministers and governments across the country and find out what is wrong with transportation. But nothing has happened. There has been no concrete activity on the part of the government during the last two years.

I want to read into the record some statements made by the government many months ago, statements they are still making in the House today. I go back to the throne speech after the 1972 election when a minority government was elected. In the January 4 speech, the government proposed a western economic opportunities conference. One of the goals was—

● (1550)

—an improvement in the total transportation system so basic to overcoming the problems of distance.

On March 20, 1973, the Minister of Transport (Mr. Marchand) said in this House:

I am as amazed as anyone in the House when I come across freight rates that are higher for goods transported to Regina than for those transported to Vancouver or elsewhere. I can understand it in the context of the capitalist system... Anyone who believes in profits and in the private enterprise system knows that any company tries for the highest yield that the market can absorb. And that is the only valid explanation... it is a provocation... the present situation is frequently intolerable.

I agree with the minister. The present system is based on so-called competition, the free enterprise philosophy. We in the prairies have no competition. We cannot ship our cattle by air to the markets in the east. We cannot ship our goods by river, lake or ocean. There is no competition with the railways. That is why it costs more for people on the prairies to have many goods shipped to them from Toronto than it costs people in Vancouver to have goods shipped from that city. We have a market that is growing. Our only alternative is to have a government with the guts to carry on and do the things the Minister of Transport talked about in this House a year or so ago. He does not have the guts to do them. All he does is talk. In the March 21, 1974, issue of the *Globe and Mail*, the minister is quoted as saying:

We don't know where we are going.

It is obvious the minister does not know. On June 12, during the last election campaign, the Prime Minister (Mr. Trudeau) spoke in Edmonton about our outmoded transportation system, that some planning is needed, we cannot rely only on competition, and so on. We still have no concrete action from this government. In the Speech from the Throne at the opening of the thirtieth parliament there was a repetition of what had been said a year and a half earlier. On January 22, 1975, the minister said in this House:

We have no over-all policy... It still is a mess, and more than you think.

As I said at the outset, I was willing to tolerate the minister saying that when he first took over the department. However, he has been Minister of Tranport for over two years, and if it was a mess when he took over two years ago, why has he not done something about it? I know it is a very complex, massive department, but why have we not had the changes the minister talked about when he took over the department? Freight rates are still rising, anomalies are still increasing, discrimination is escalating. I want to put on record some of the anomalies and discriminatory freight rates to which we in the prairies are subjected. The Minister of Tranport and the Minister of Regional Economic Expansion (Mr. Jamieson) will be participating in this debate. They must understand how the sort of freight rates which we have discriminate against various regions.

With regard to canned foodstuffs, to ship 100,000 pounds from southern Ontario to Vancouver costs $2.57 per hundredweight. To ship the same amount of foodstuffs to Saskatoon, which is on the main CNR line, costs $2.75 per hundredweight. It costs almost 20 cents more per hundredweight to ship about half the distance. Why does that anomaly exist? The Minister of Transport and the Minister of Regional Economic Expansion both know this. How can we eliminate regional inequality if the freight rate structure, which is the backbone of this country, has these built-in discriminations?

To ship an 80,000 pound lot of packaged foodstuffs from southern Ontario to Vancouver costs $2.43 per hundredweight. To ship the same amount of the same kind of goods to Saskatoon costs $2.93 per hundredweight, 50 cents more. Because of the way freight rates are set up, it might be cheaper to ship from southern Ontario to Vancouver and then reship back to Saskatoon. After two years in office, how can this minister still go on saying, in effect, "The damn thing is still a mess and we cannot do anything about it"? Where is the minister's intestinal fortitude? Why can't he stand up to the CNR, the CPR and others in the transportation field and make them do something about the blatant anomalies that exist in the freight rates system?

I now go to the open tariffs which took effect on March 1, 1975, just a few days ago. They widen, instead of close, the gap in discrimination against Saskatchewan. I wish to deal with the cost of shipping live cattle versus dressed or slaughtered beef. The rates from Saskatoon to either Toronto or Montreal are the same. The old rate for live cattle was $3.24 per hundredweight. As of March 1 it was increased to $4.23 per hundredweight. If the cattle are

slaughtered and processed in Saskatchewan, providing jobs for people there, the rate as of March 1 is $5.40 per hundredweight, compared with the old rate of $4.15 per hundredweight. Why does the Minister of Transport tolerate that type of discrepancy?

The Minister of Regional Economic Expansion professes to be getting rid of regional discrimination in this country. However, it now costs $1.17 per hundredweight more to ship dressed beef to Toronto. Any company engaged in the business of packing beef will obviously locate in Toronto or Montreal. That is not being anti-Canadian; it is sound economics. Obviously, any such operation would be expanded in central Canada because the freight rate structure is designed for them, not the people in the prairies, those in much of Quebec, in the north or the Atlantic provinces. These anomalies must be cleared up very quickly.

I will give two or three more examples. Iron and steel articles such as bars, rods, plates and studs can be shipped in 80,000-pounds lots from Hamilton to Vancouver for $2.43 per hundredweight under the new freight rate structure. The rate to Saskatoon is $2.84. To ship the same goods on the same line costs 40 cents per hundredweight more to ship to Saskatoon than it does to Vancouver. Why is that not changed? It is for this reason I have no confidence in the government's transportation policies or the handling of its affairs by the Minister of Transport.

Let us now look at more agreed charges. To ship a 75,000-pound lot of chemicals such as calcium carbide from Niagara Falls or Shawinigan to Vancouver costs $2.63 per hundredweight. The rate to Saskatoon is $3.12 per hundredweight. There is a difference of 30 or 40 per cent. I am not against the city of Vancouver. What I am saying is that freight rates should be lower for shorter hauls. Saskatoon and Regina are about two-thirds of the way to Vancouver, yet the freight rate for the same product on the same rail line is higher. That does not make sense: it is blatant discrimination against the prairies.

I could give other examples such as phosphates and sulphates which can be shipped to Vancouver at a lower rate than to Saskatchewan and, indeed, to many parts of Manitoba. The minister understands the situation. He knows the present freight rates structure is controlled by the railway companies, the private corporation. He knows they do not serve the majority of the regions of this country. Why does he not change it? Why does he not tell the CN and CP that there should no longer be anomalies in the freight rates structure? It should be equalized across Canada. If that were done, this country could be developed from coast to coast.

● (1600)

Why do we have to crowd our people into two or three large centres instead of dispersing our population around the country? And you will not be able to do that, no matter how much money DREE pumps into Newfoundland or other areas, if you continue to have a freight rates structure that discriminates against the very areas that DREE puts money into. It just won't work, Mr. Speaker. Why doesn't the minister—and I think that philosophically he believes it—nationalize the CPR and have one efficient transportation system in this country? We do not have competing sewers. We do not have competing roads. Why don't we have one railway system?

An hon. Member: Why don't we have one political party?

Mr. Nystrom: I do not think railways are there to make a profit. It should be a service to the people of this country. Why have two competing airlines. Why not have one Air Canada that has all the routes in this country? I think the minister made a comment about this when he spoke the other day. CPR often has the very lucrative routes in this country. Air Canada is serving many areas of the country where you wouldn't have service if it were not for the publicly-owned airline. So I very strongly urge this minister to follow his own gut instincts and nationalize the CPR into one comprehensive transportation system that is efficient, that is run with a tough, efficient manager for and on behalf of all the people of this country.

Pour into that transportation system hundreds of millions of dollars. Subsidize freight rates in areas where they need support. Provide equality of conditions in the maritimes, the north, the prairies and other regions which I have mentioned. Unless you do that, Mr. Speaker, you are not going to develop this country. Unless you do that you will continue to have unemployed, because it is just not worth processing our own goods in our own country. Unless you do that you are not going to have the political sovereignty to make a lot of the economic decisions we must make if we are to plan our country. Unless you do that you can no longer have a national development plan to put more people into areas where they are needed, and slow down growth in areas where growth is occurring too quickly.

I am sure people in Toronto would like to see growth in that city slowed down and rationalized. They would like to see some of their growth and industry go to the north, to the prairies or to the eastern part of this country. But that will not happen as long as we have a government which believes in the centralization of all industry in this country into central Canada, the golden horseshoe, as governments have done ever since confederation.

So, Mr. Speaker, I hope the minister, when he replies tonight, will agree to some basic changes in the transportation system, some of the things that I have talked about and some of the things to which the hon. member for Vegreville (Mr. Mazankowski) has referred. I hope he will also look at the grain handling system: we are having many problems there. Also, we have rail line abandonment; about one-third of the rail lines may be abandoned after January 1, 1976. we have a grain handling system that is inefficient mainly because the railways aren't repairing the tracks and maintaining them. They feel they don't make enough money out of handling grain.

We have many many problems in the west, problems that we must solve if we are to preserve the rural community from which some of us come. We must also make it very clear that the Crowsnest pass agreement which was made back in the 1800s must be upheld. The Crowsnest pass agreement is God in the west, and once again I tell the Minister of Transport that if he tampers with it, then he is tampering with something that everyone in western Canada will fight him for all the way down the line. So I

hope he reaffirms his intention not to tamper with the Crowsnest pass agreement when he speaks in the House later this evening.

Mr. Speaker, there are many things I could say. However, I realize that my time is up and I want, in closing, to ask the minister to respond very sincerely to many of the points we have raised. When he replies tonight, I ask him not to raise some of the old bogeymen, not to treat it as a personal attack upon his character, but to take it as constructive criticism of his department and the policies of the Government of Canada which most of us in the opposition see as falling short of what they should be. I know that many Liberals in all parts of Canada agree with me in that respect.

If we are to plan this country for the twenty-first century, for those who come after us, we must start with a transportation system that is publicly-owned, efficient, serving all the people, and subsidized in order to serve the whole country equally from coast to coast.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am sure nothing could more graphically demonstrate the complexities of trying to devise in this country a cohesive transportation policy than the differences in approach taken by the first two speakers. The Conservative Party has put down the motion. The New Democratic Party, announcing that it will support it, then proceeds to demonstrate in the most graphic fashion imaginable that the elements the NDP would put into a national transportation policy would be totally rejected by the Conservative Party.

For example, just a moment ago when the spokesman for the NDP called for the nationalization of Canadian Pacific, I heard murmurs of indignation among Conservative Party members. Yet nationalization is the basic plan of the NDP program.

Mr. Lambert (Edmonton West): The motion is an attack on your policy; that is the point.

Mr. Jamieson: I am sure that when the Minister of Transport (Mr. Marchand) replies, as he will later in this debate, he will be perfectly able to defend himself. I say this with particular regard to some of the suggestions which have been made as to his intestinal fortitude and the like. I do not intend to deal with the broad spectrum of issues which have been raised; I shall confine my remarks to the aspects which concern regional development.

A number of speakers, including the hon. member for Yorkton-Melville (Mr. Nystrom), have acknowledged the element of regional development which exists in any transportation policy. It is one which we, too, acknowledge. I hope I shall be able to show the hon. member that some of the proposals which he is advocating would have precisely the opposite effects from those he is seeking and, certainly, from those we on this side of the House are seeking—and here I speak as the minister responsible for the DREE program.

When I first entered the House of Commons I was, within a matter of days, assigned to the standing committee on transportation. Few who were members of the committee at that time are still in the House, though I can see one or two of them on each side of the House. I think they would agree with me that the fundamental issues we are debating today are not greatly different from those of nearly a decade ago. Many go back several decades, and some to the very beginnings of confederation.

It is interesting to note that the opposition, as well as individual critics outside the House, are suggesting that in some way or other it is these fundamental issues which have been creating problems. The implication is that, having existed for so long, they could in some magic way have been resolved between July 8, 1974, and March 10 of this year. Let me emphasize that I am referring to fundamental issues, not to day to day transportation problems which are bound to arise in a country as vast and as complex as Canada. Over the years we have been able to deal reasonably well with these problems, as any objective observer would agree. For example, to my personal knowledge, as one who was minister of transport for four years, transportation authorities from other countries are unanimous in agreeing that the over-all structure of transportation in Canada is one of the best in the world. Nevertheless, the fundamental issues remain, and by and large it is these which give rise to most of the criticism.

During the present debate I hope to put at least a few of these issues into perspective, and I hope hon. members will appreciate that in this context I am using the word "issue" as meaning a question about which there can be legitimate differences of opinion with important and valid interests ranged on opposite sides. I gave a good example of this when I referred to the position taken by the two speakers who preceded me. The real task is to recognize this interest to the maximum extent possible, and in many cases the methods of doing this have evaded governments of all political persuasions—federal, provincial and in some cases municipal. The various modes of transportation have not been able to resolve them and successive royal commissions, inquiries and regulatory agencies have been something less than wholly successful. What are the types of fundamental issues to which I have referred? I am not going to take the time to list all of them, but I will give a few examples without at this time coming down on the side of any particular interest group.

● (1610)

There is the long-standing issue referred to by the hon. member for Yorkton-Melville, the Crowsnest pass rates, and a couple of larger problems, such as grain movement rationalization which involves both economic and social considerations and which, I am fully aware, is a highly emotional issue, as the hon. member has said, in terms of western Canada. But it also can be said that the Crowsnest pass issue and its related questions have bedevilled the development of rational, so-called developmental policies for perhaps as long as we have been a country, or at least as long as the western provinces have been in Canada.

In the east there is the Maritime Freight Rates Act and related subsidy programs. This is another fundamental issue. The appropriate level of tolls and long-term financing arrangements for the St. Lawrence Seaway is another. Then there is the difficult and continuing problem of determining with more precision what the role of various national carriers and agencies ought to be, how much autonomy they should enjoy and what their relationship

should be to the government and to parliament. I propose to come back to some of these questions in a moment.

The same questions apply to Crown corporations and agencies and could be asked of federal-provincial relations as these relate to transportation, a field where there is divided, and sometimes fragmented, jurisdiction. Other fields where there are wide differences of opinion and of interest include ports administration, the type and size of merchant marine Canada ought to have, and shipping policy generally.

These few examples illustrate the complexity that surrounds Canada's transportation system; and I did not mention the air mode with the conflicting objectives of transcontinental or major carriers and the regionals. I could add the issue of the federal role in the operation of ferries, in the building and upgrading of highways and in coastal protection and services of various kinds. This is just a random sample and I am sure there are many important aspects of transportation which I have omitted in this brief review.

The essential point is that there is no unanimity on how these issues should be resolved; there is no unanimity on this basic question. Quite the contrary: anyone charged with formulating transportation policy—and here the Minister of Transport has my total sympathy, as he has the main responsibility in this regard—is inundated by conflicting views. The difficulty is, and this is a very key point I would ask members to note, that it is not simply a matter of separating sound opinion from the unsound; it lies in choosing between proposals that are frequently of equal validity but which are mutually exclusive.

Let me illustrate by dealing with the hardiest perennial of them all, freight rates, to which the hon. member for Yorkton-Melville gave a good deal of his time. Let me say at once that there continue to be anomalies and inequities in the freight rate structure that must be eliminated. Much has been done along these lines in recent years. If time permits, I will give certain examples because I do not think it is fair to blanket this issue and I do not think hon. members would want to be unfair by simply saying nothing has been done. A good deal has been done to eliminate certain anomalies, but even with further improvements we, as Canadians as well as legislators, will have to come to grips with certain basic questions. I suggest this in total sincerity, trying to put this matter into proper perspective.

It is my judgment that in most of the debates we have in this chamber, these questions tend to be ignored, perhaps because it is more immediate and more urgent to deal with some specific matter and perhaps, also, because it is easier to get one's mind around a specific matter than it is to come to grips with certain basic questions, which I shall attempt to do in the interest of generating what I hope will be a worth-while debate. For example, is the principle of compensatory rates valid? This principle is basic to the present National Transportation Act, but judging by the frequent comments of members in all parts of the House there are serious doubts on the issue. It is not enough to be opposed to the principle; it is necessary to decide what should be in its place if, in fact, it is going to be changed.

The record of the last seven or eight years makes it clear that this government has been prepared to make significant modifications to what was proposed and eventually passed into law in the act of 1967. There has not been rigidity on the question of compensatory rates. There have been, for example, periodic freezes applied to certain categories of rates; substantial additional subsidies have been added under the MFRA and related legislation; the movement of various agricultural products, including feed grains, has been assisted at a cost of many millions of dollars; there have been increased subsidies for various types of coastal shipping, and the government has moved in directly to provide specialized rolling stock for the railways.

There are many other ways, also, in which the government has shown itself prepared to depart from the principle of compensatory rates. The argument persists, however, that there should be still more, even though the totality of demands one hears from all sides of the House—incidentally, not always from the opposition—is still on the basis of ad hockery and reflects no coherent plan. I find it difficult, and I hope I will be able to illustrate this as I go along, to rationalize the variety of proposals which come from members opposite, which in many respects, I suggest, if you look at them in isolation and then try to put them together into a package, are contradictory and not what the motion would call a cohesive and generally comprehensive transportation policy.

The reasons are perfectly clear and very understandable. Once a concession has been obtained, no beneficiary wishes to give it up. Therefore, the principle of compensatory rates becomes more and more distorted. Furthermore, there are grounds to question whether such individual measures designed to ease the impact of particular rates actually achieve their objectives. I want to re-emphasize that point if I may, Mr. Speaker, because I think it is important for us, when we are seeking ad hoc solutions which are very costly to the taxpayers of Canada, to ask ourselves whether in fact these individual measures are designed to ease the impact of particular rates and whether they achieve that objective.

Let us look at one example which bears on my responsibility to encourage regional development. When representatives of regions of the country away from the centre—that is most of Canada, in geographic terms; and I am sorry the hon. member for Yorkton-Melville is not here because this bears particularly on the remarks he made—complain about freight rates, it is often because such rates result in higher costs for goods which they purchase from central Canada. That is a very important point. Criticism of the rate structure may be entirely valid, but essentially that is the main basis for the complaint—that it costs more in various parts of the country to bring goods from central Canada.

I repeat that these complaints are understandable. If, however, there are substantial forms of assistance for traffic inbound to western Canada, eastern Canada or northern Canada, such assistance—I would ask members who make this point in Atlantic and western Canada to bear this in mind—really constitutes a subsidy to central Canadian manufacturers and shippers. It makes it harder for manufacturers in these areas, that is, the west and the east, to compete and in many cases it runs counter to the outbound subsidy programs the government has in place.

● (1620)

This is the reason I find it difficult, without hearing more detail on the question, to understand why the hon. member for Yorkton-Melville would suggest some equalling out of the freight rates structure all across the country. It seems to me that, clearly, would be counter-productive in terms of regional development initiative and what we are seeking to achieve. For example, all Atlantic provinces benefit from a 30 per cent subsidy on goods shipped out of the area. For certain value added commodities, the subsidy has been increased by my colleague the Minister of Transport—one of the many things he has done. It has been increased in recent years to 50 per cent. This subsidy is paid on truck as well as rail shipments. So 50 per cent of the total cost of moving certain goods out of the Altantic provinces is now subsidized.

Now, if Atlantic province manufacturers and processors, as well as certain primary producers, are to see their central Canada competitors subsidized to ship their goods into the eastern market, then the value of the subsidy, obviously, is reduced accordingly. What I am saying is that you cannot have it both ways in terms of subsidies. You cannot say in the Atlantic provinces or in western Canada that you want a break on the shipment of agricultural products to the centre, fisheries goods to the centre, or manufactured goods from both ends to the centre—that you want those subsidized—and at the same time ask for subsidies on goods moving from the centre to the outer perimeter of the country. It is clear that the same is true, as my friend the Minister of Finance (Mr. Turner) has said, of tariffs.

I should touch briefly on this matter once again because it is a good example of two worthy examples which can be self-defeating. In the first place we have consumers wanting to get their goods from whatever source at the lowest possible shipping cost, but every such concession can make it more difficult to achieve regional development. One of the most frequent complaints which I receive from western Canada relating to regional development concerns the freight rate on steel shipped from the east. In a broader context, the hon. member raised—as I am sure other members will, and I am sure the chief spokesman for the opposition is concerned about this—the question of so-called short haul rates versus long haul rates.

I agree with my colleague, the Minister of Transport, who has said on many occasions—as I have said in this House, and I am not altogether certain why some of these things should suddenly have new prominence because they are spoken by the present Minister of Transport, but perhaps I was not as effective as he in getting it across—that essentially the short haul-long haul differential is something with which this government has coped for many years and with which its predecessor government coped for many years. I should like to deal with it in steel terms, to start with, and then perhaps elaborate a little further.

On the question of steel, I concede readily that the arguments have merit in many cases, but my department is convinced that one of the major developmental opportunities that exists in western Canada centres on capacity in that region for a major steel producing facility. I do not think there is any doubt about that. I believe that more and more the examinations and discussions we are having with Alberta and Saskatchewan in particular tend to support this fact. Is it good policy? I ask the question, not rhetorically but in the interest of generating a worthwhile discussion on the question. Is it good policy, therefore, if the capability exists for further steel development in western Canada, to make it easier and less expensive for eastern steel manufacturers to penetrate the western market by an artificial lowering of rates, or should we in fact be encouraging, as we are, more steel making and thus a stronger economic base in the west?

Mr. Lambert (Edmonton West): If the rates were not artificially high you would not have that difficulty.

Mr. Jamieson: The hon. member for Edmonton West (Mr. Lambert), who seems to have a very pat answer off the top of his head for every question, will have an opportunity to speak in this debate.

Mr. Lambert (Edmonton West): I asked a question.

Mr. Jamieson: I shall be quite prepared to answer the question if there is time at the end, Mr. Speaker. On the major question of short haul-long haul rates, of course here again in my conversations with other spokesmen, as well as those which I am sure have been held by the Minister of Transport, one discovers that the stance, if one can call it that, of unanimity about it quickly disappears when this particular issue is raised. Will the members from British Columbia, for example, regardless of where they happen to sit in this House, support an idea which in fact deprives British Columbia of its beneficial rates?

There have been many conferences, and I have attended many discussions at which you begin with the premise that no short haul rates shall be higher than long haul rates, and then quickly you see it disintegrate in terms of any kind of consensus as you discover it bears differently upon different regions of western Canada. I have no quarrel at all with the proposition that there must be some kind of levelling out of rates in western Canada and that there must be some kind of concession, but I say that simply putting forward a simplistic kind of suggestion such as that, without examining the ramifications, will lead to prolonged discussions with the provinces before any worth-while conclusion can be reached.

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

Mr. Jamieson: With respect, Mr. Speaker, I believe as the first speaker on this side I am entitled to 30 minutes.

The Acting Speaker (Mr. Penner): The minister raises an interesting question concerning his rights. He is quite correct, 30 minutes are allowed to the mover of the motion and the speaker replying. It was the understanding of the Chair that it was the Minister of Transport who later this day would reply. If the Chair is incorrect in that, I would be prepared to hear from the government side on the matter.

Mr. Jamieson: Mr. Speaker, I thought the matter had been agreed to by the parties. The Minister of Transport

and I discussed it, and I understood it was the first speaker who had 30 minutes.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we are quite prepared to allow one of them 30 minutes, but not both.

Mr. Jamieson: Mr. Speaker, at the time of your comment I had given two examples of the complexity of a couple of regional development problems of major significance as they relate to transportation. I want to emphasize that neither of these examples is clear-cut. I do not suggest that I, or anyone else, have all the answers, recognizing that even within regions, trade and transportation issues compound the problem. For instance, it would not be sufficient to set up a steel freight rate from central Canada to western Canada and let it go at that. Our inquiries and studies indicate that if we are to have a major steel making capability in western Canada, this will require a very definite shift in the freight rate structure within the regions. This, I acknowledge and agree, is something that needs further examination.

Nevertheless, I suggest my basic point is valid. General freight rate freezes and blanket subsidies tend to work against regional development whatever benefit they may have to consumers. I might add that I have not been able to determine that many of the freight rate subsidy programs do in fact find their way to consumers, and here I speak particularly of the individual consumer. Consumers do not receive any significant benefit from them, so far as I have been able to determine. One has only to look at the recent study of consumer prices in the province of Newfoundland to see that transportation is by no means the main factor affecting consumer prices. Therefore, the concept that you can use transportation or freight rates specifically in order to reduce consumer costs is certainly open to question and should be examined thoroughly. It was determined that the distribution system within the province itself was a much more significant contribution to increased costs for consumers than the long distance transportation charges into the region.

● (1630)

In other words, once commodities get into the region, distribution services really need to be modernized and improved. I would expect this is true to the same extent in Atlantic Canada. This involves a good deal of private enterprise participation, which I do not rule out but which is certainly not the sole responsibility of the government.

Since time is short, I want to say a few brief words about another fundamental issue. I will be brief because of the limitation on time. I wish to speak about the toll system on the St. Lawrence Seaway. Here is another all-party effort, if you are talking about really fundamental issues on which decisions have to be made. It is significant that members of all parties from central and western Canada—it does not matter where these members happen to sit in the House—are strongly against any increase in Seaway tolls. In this, from my experience, they are accurately reflecting the views of their constituents.

At the same time, Atlantic province members—I include myself in this number—rarely, if ever, join in representations to keep tolls down on the St. Lawrence Seaway. In this they, too, are echoing the views of those whom they represent, that the ports of Atlantic Canada suffer unfair competition from low Seaway tolls. Here, once again, we have another example of legitimate regional views being in conflict; and there are no easy answers. The government is being urged to cut costs, to behave in a business-like manner; but if the logical steps were taken—I use the St. Lawrence Seaway simply as an example—in many of the other examples I have given, there would be greater inequities between regions and many national objectives would be thwarted.

In conclusion, I wish to touch briefly on one of the most difficult fundamental issues affecting Canadian transportation. It is the issue of jurisdiction, control and policy-making. A great deal has been made of the federal role in this regard, and of course no one quarrels with the key position that the federal government holds in this whole problem. I have spoken of a transportation system, in the singular. However, in reality we have dozens, even hundreds, of different and often competing components within that system. Not all of these are subject to federal control, and where there is federal responsibility it is exercised in a variety of ways.

I would invite hon. members to examine this structure. It is not this government, or any particular government, but parliament itself which has frequently reaffirmed its belief that Crown corporations must continue to enjoy a high degree of autonomy. I have no quarrel with that view, and certainly many instances have been brought forward in this House where indeed there have been claims that the government has been interfering too much with Crown corporations. There is, however, an inconsistency in the view often taken by members—again, I am not referring to any particular party—that the government should direct CNR or Air Canada, for example, to follow a particular course of action. Having said that, I repeat what I said at the outset, namely, that the role of Crown corporations, especially in the transportation field, is something that generates a great deal of heated debate with many valid arguments on both sides.

Harking back to the first comments that were made this afternoon regarding the nationalization of CPR, any kind of rationalization that would be massive in scope and would change drastically the long-established precedents for the relationship between Crown corporations, the government and parliament would be hotly debated and there would be no unanimity of view in the House on that important subject.

The same can be said of the Canadian Transport Commission. Parliament has given the commission certain wide-ranging powers, and it did so deliberately. I was here at the time as a member of the committee and I am sure that others who were there at the time—I do not want to single anyone out—would be prepared to confirm that it was done deliberately to cut down on the degree of direct government intervention. That was deemed to be a wise course at that particular time. Once again, this may be a highly commendable objective. The government or the responsible minister cannot be faulted for observing the law and allowing the processes set out in the act to be followed. If there is to be a change in the CTC approach and in the responsibility that it has, then parliament itself

will have to decide whether it wishes the government to become more directly involved. Indeed, this is a question, I repeat, on which there is no unanimity of opinion and which, I hope hon. members will appreciate, makes the job of any Minister of Transport exceedingly difficult.

There is another important aspect of jurisdiction, and that is the authority of the provinces, particularly in the matter of highway regulations and similar matters. While there are undoubted federal responsibilities in this field, the jurisdiction is shared, at the very least. Incidentally, it is interesting to note the history of federal responsibility in this field. It was on the basis of a 1956 Supreme Court judgment in the long run, and not so much because of any desire on the part of the federal government to be deeply involved in highway management or trucking, that the federal government was brought into the field. Therefore, there is no way to proceed other than through agreement and consensus, which are sometimes difficult to achieve.

The federal government, and particularly my own department, is helping many provinces to upgrade their road systems and to achieve certain national standards. Many millions of federal dollars will be spent on this objective again this year in the east, and also through the efforts of the Minister of Transport in consultation with western provinces to do upgrading on certain key network roads in western Canada. This will be an ongoing expenditure.

It is interesting to note that if one takes the average year since the end of construction of the TransCanada Highway, despite the fact that the primary responsibility is with the provinces the federal government in one way or another has contributed, on average, something like $190 million a year to road building in this country, a significant and important sum in terms of what it has been able to achieve. As we get better standards, in highway terms, across the country, a consensus is more likely to emerge in terms of provinces. But one should not underestimate a good deal of the anxiety that the provinces have about yielding any more than they have to of provincial jurisdiction or authority in this field. In this, frequently they are aided and abetted, for its particular reasons, by the trucking industry.

My objective today was to show in a realistic fashion some of the very real complexities that exist within the Canadian transportation framework. It is these to which the Minister of Transport refers when he discusses, with his usual candour as the hon. member has said, the difficulties involved both in policy-making and in keeping such a huge system operational. The difficulties are not new; they are not the creation of any one government or of any one period. They will not be solved by criticism alone, or by simply pointing out the flaws in the system, which everybody concedes continue to exist even after 100 years. They will not be solved by criticism, although frankly I consider constructive debate to be useful. If there is a debate in which suggestions can be made of specific ways in which transportation can be used to better advantage to aid regional development, then I want to hear those suggestions regardless of the quarter of the House from which they come.

What we must do, and what a great many others outside parliament must do, is to make some choices, because this is not a problem that can be resolved purely by legislation or co-operation between different levels of government; there are enormous private industry factors here which have to be part of the over-all exercise. Incidentally, perhaps a national conference might not be a bad idea, and I am sure the Minister of Transport would accept it as a worth-while suggestion.

It seems to me that if there is a great weakness—and perhaps I should plead guilty to part of that weakness, having been the responsible minister for some time—it is that in transportation, when it comes to the crunch, it is frequently easier and, perhaps one could say frankly, in the national interest to achieve some kind of accommodation that falls short of perfection rather than try abruptly to remove from the various elements in the transportation system some key element to which a particular region or interest group is very strongly dedicated.

So I say that we must make some choices if we are to get the cohesive policy to which reference is made today in the motion of the opposition. None of this will be easy, and on the fundamental issues which I have outlined there will be wide differences: I am sure that the same will be true of others I have not touched on because of time limitations.

● (1640)

If all hon. members go about this task in a reasonable, orderly way which gets to the root of the problem, and if they are prepared to face up to these root problems, whether they live in the east or the west, and examine some of the issues I have outlined, I do not suggest we will find all the answers: that may be too much to expect and, quite frankly, in a rapidly changing field like transportation I have no doubt that it will be difficult to achieve perfection. Nevertheless, we will continue to make what I think we have made over the years, and certainly over the years of this government, namely, progress.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, Friday last on March 7, a motion of the Progressive Conservatives questioned the ability of the Minister of Transport (Mr. Marchand) to organize and develop a sure, efficient, co-ordinated modern transport system on par with the needs of national and regional economies, external trade and social welfare in Canada, in accordance with the undertakings made in the Speech from the Throne. And now today, Mr. Speaker, motion No. 15 introduced by the Progressive Conservative party condemns the government's failure to present a co-ordinated transportation policy.

Mr. Speaker, I hope that the Minister of Transport will have heard enough about transport problems since Friday to retain his attention. However, since I have been sitting in Parliament, I denounced on many occasions this lack of co-ordination in transport generally and more especially in our railway system.

This is not a new problem, Madam Speaker, since it has existed under both governments, which seem to take pleasure in accusing each other and rejecting the blame on each other.

Last Friday, the Minister of Transport (Mr. Marchand) was telling the Progressive Conservatives: You did not do better than us in the past; you are always criticizing, but make concrete proposals, tell us what is your policy, tell us what to do, and we shall act. This is the behaviour of a government which was so strong, which said that it was strong and capable of the greatest things during the whole election campaign and is now weak and powerless when it is in power. The government is suddenly so devoid of ideas that it must beg the opposition for some answers. In his speech of March 7, 1975, last Friday, as is reported on page 3894 of *Hansard*, the Minister of Transport, when he realized that his appeal was falling into deaf ears continued his speech by saying, and I quote:

The only answer I get from the opposition is: It takes a long time! But, Mr. Speaker, should I, as Minister of Transport, be quicker about changing the whole transportation system in Canada than the Conservatives about designating a new leader?

This is how the minister clowns to get rid of a serious problem which is of great concern for all Canadians. I sincerely ask you what the replacement of the Progressive Conservative leader has to do with the transport situation. Mr. Speaker, I ask the Minister of Transport to be a bit more serious, and I know that he can do so when he is clear-minded in the House. The minister must realize once and for all that the election campaign is over, that we are here to find answers to the problems, and that it is up to the government to propose solutions to the House since generally all the legislation to be voted is introduced by the government.

I am in favour of this motion, and I hope that the government will not consider it simply as an insignificant criticism, but as a pressing appeal from the Canadian people to work concretely to solve the big and thorny problem of transportation across Canada. Be it transportation by water, by air or by land, I am sure we have everything that is needed to provide Canadians with an adequate and well coordinated transportation system.

Last week, we discussed our ridiculous situation with regard to the nonexistent merchant marine in Canada. On Friday, many members referred to our air transportation system, which is far from being adapted to our needs. In my region, at least, we have no congratulations to extend to the present minister and even less to all the other ministers who preceded him.

During the last six election campaigns, Madam Speaker, we received in my riding of Roberval dozens of ministers who gave rise to the highest expectations among the people. The Minister of Finance himself (Mr. Turner) came and promised on his honour of gentleman that if his government were reelected, he would order the complete rebuilding of the Roberval airport. Let us see what we "salvaged" from the visit of that flight of doves?

I ask him again today: where is his honour of gentleman, and why did he come and give false hopes to our people? I ask the present Minister of Transport who, at the time Minister for Regional Economic Expansion, had $500 million to distribute as productively as possible electorally, what has happened to all those beautiful promises for an airport at Dolbeau and Saint-Félicien? At the time he said an airport was needed at almost every centre in my riding to meet the demand. What has he done since? And particularly, what will he do now that he is a full-fledged minister? We are still waiting.

[Mr. Gauthier (Roberval).]

● (1650)

I cannot miss this wonderful opportunity of speaking once again to the minister about the problems we have been running up against for years with regard to the Canadian National, since it is the only Crown company in our area.

First, let us speak of the freight service. After ten years of requests, has the problem of freight cars been solved? Here is some correspondence, Madam Speaker, that speaks for itself. This letter is dated February 21, 1974; it is addressed to the Minister of Transport. It comes from the Domtar Company. I quote:

The problem of the shortage of railway cars for the transport of newsprint, pulp and shavings seems to be widespread.

A few of the fifty-six pulp and paper industries in the province of Quebec depend almost entirely on railways for the movement of freight, to and from their facilities. The remaining ones, while having access to other modes, still count on rail to a large extent for their incoming and outcoming trade. Although the size of the shipments involved cannot be determined exactly, since they include raw materials and finished products, we know very well that the volume and revenues of such movements by rail are very high indeed. In any event, adequate rail service is one factor in the maintaining and economy of production of these plants.

For more than a year, railway cars have not been available in sufficient numbers. The problem is aptly summed up in the following remarks by one freight movement officer: "The availability of freight cars is a day-to-day affair; there are never enough cars to meet the demand, and we must constantly pressure railways to get our share of available rolling stock".

There is a serious scarcity of cars for newsprint. Very often the type of car required cannot be obtained. The use of another type of car entails higher costs, since it is impossible to load the specified minimum into shorter cars, with the result that we must pay freight on dead weight. The lack of cars when needed forces companeis to store their products and rehandle them, at extra cost. Some companies have to use trucks to compensate for inadequate rail service. One major company indicated the loss of sales by reason of a persisting scarcity of cars. As far as the movement of chips is concerned, substitution of boxcars for the usual gondola cars creates difficulties, as well as needless costs caused by dead weight; because at certain times, loadings are below minimum . . .

Time is lacking to read the whole letter through, but this proves to the department that the companies constantly requested more adequate and more cars, without avail.

Let us now talk about our famous passenger service. On April 17, 1973, I pointed out to the Minister of Transport the need for an immediate improvement in passenger services. There was at that time an outbreak of derailments that were attributed to all kinds of causes, without the real one ever being denounced. There were even wild accusations that train engineers had shortened the allowed time for a haul by half an hour. Let us not forget that on our local circuit speed should not exceed 25 or 30 miles an hour. I am sure that Montreal or Ottawa travellers would not want to hear about trains anymore if they travelled at such speed.

Are the railway tracks between Montreal, Chambord and Dolbeau too weak? Let us go and watch freight trains more than 100 cars long roll by. Incidentally, we have always exposed the lack of maintenance as the great evil.

Teams of three or four men are designated when those teams should be made of six or even eight men.

That is the first mistake technoracts in Montreal offices make when they perhaps never went on a field check. When I say field check I do not mean spend five or ten minutes in brain centre offices before returning to Montreal with their report. I mean they should run the track with maintenance attendants. That way, Madam Speaker, we could get much better results.

If CNR decided one day to play its role which is to give good service, its clientele the heads of that Crown corporation should stop thinking that hotels are their first priority in that system of transportation. Those people forget entirely that if they want to ensure a good clientele for hotels, here again, a good and well coordinated system of transportation will enable them to achieve it.

It CNR wants a profitable passenger service, it must first provide an adequate service with planned schedules and well maintained cars. It seems quite strange to talk about those matters, Madam Speaker, but in my area I think the directors of that corporation have completely lost sight of the basic principles, with the result that fewer and fewer people want to use CNR services.

On several occasions we showed that the Chambord-Montreal passenger run could be done in five hours, while it now takes eight or ten hours, if there is no delay. I would say incidently that delay is the trademark of CNR in our area. The cause of that slowness is that at present freight has priority. Consequently, we must wait hours along the route to allow freight to run freely. That is ridiculous, one might say, but it is the simple truth.

● (1700)

I shall just take the example of the Montreal bound train which leaves Chambord on Sunday night. In spite of all the useless delays, it reaches Montreal by 7 a.m., so that we can take any other train to Toronto, Ottawa or elsewhere. But if you happen to take the very same train any week day, you have to wait for the train from Abitibi, which is always very late. And so you reach Montreal by 10 or 11 a.m., and even frequently after 12 noon.

We have been wondering for years why it should not be an all-Sunday week for the CN in our area. The Sunday night train might very easily take two hours less if the authorities would give Montreal bound passenger trains priority. We also suggested the implementation of a direct daytime service to Montreal.

Madam Speaker, may I call it five o'clock?

The Acting Speaker (Mrs. Morin): There is no private members' hour today.

Mr. Gauthier (Roberval): Our voice always remains unheard in the offices of increasingly numerous technocrats while services keep diminishing.

In our opinion, the Canadian National is a group of Montreal technocrats who send orders, prepare all projects in their Montreal offices and do not often leave them to actually check the situation on the premises. We are only presented with accomplished facts, which we have to accept and put up with. But I believe that as long as we shall have, at the Crown corporation level, and ivory tower management, we shall have that dictatorship without any consultation with the people concerned in the region, and we will keep having the problems we are facing today.

When will the government, through its Minister of Transport hold a public inquiry, since in the end deficits are always paid for by the people, in order to at least once a year meet all those technocrats, all those civil servants? Today, you only see civil servants wandering in the area, and you can frequently, although this is a delicate thing to say, see two foremen for three workers.

Another mistake of the Canadian National was to put an end to all the repairs which had been carried out for years in Chambord.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but the time allotted to him is expired. I recognize now the hon. member for Saint-Hyacinthe.

Mr. Claude Wagner (Saint-Hyacinthe): Madam Speaker, this debate which occurs at a very appropriate time is indicative of the inability and inconsciousness of the government regarding transportation. We are obligated to the hon. member for Vegreville (Mr. Mazankowski) for having submitted to the attention of the House the motion we are now studying, which faithfully reflects not only the concern of the official opposition, but also that of all Canadian citizens about the complete and permanent disorder existing in the Department of Transport.

It is obvious, Madam Speaker, when considering the government's performance in this field, one would be tempted to say as in the song: "Faut-il en rire ou faut-il en pleurer?" But when considering the minister's accomplishments, I fear there is no alternative but to pity him. This is what leads me to adopt towards him perhaps a more sympathetic attitude than would justify the mess his department is in, sympathetic because I had hoped that before this debate or perhaps during the first day on Friday last the minister would find a way to answer the members' concerns and set forth the solutions he wants to bring in, indicate a general policy, the new policy he intends to advocate in transport.

However, to our great disappointment, the minister rather took delight in falling back on means which in the art of oratory have certainly their merits but are not acceptable on the Parliamentary level. That is how, Madam Speaker, I have considered the minister who, noticeably disturbed, irritated by the questions put to him for some time on account of this mess existing within his department, and under pressure about this issue of the Hamilton and Île d'Orleans dredging contracts, the Minister of Transport, in my opinion one of the most pathetic ministers in Canadian history—I am saying this almost with a measure of friendship—had to raise his voice in the House last Friday. And over the weekend, Madam Speaker, the papers printed the following headlines:

"Marchand Alleged Victim of Racist Campaign"

"Marchand blows his top and is blown up".

"Marchand notes evidence of suspicion and racism".

"Accused of incompetency, Marchand seeks an end to racist attacks".

"Strong attack by Marchand against English-speaking racists' aspersion casting".

Last weekend, Madam Speaker, these media reported to the Canadian public the statements the minister made and which he will not withdraw, judging from what I have just heard, statements he made both in the House and outside to the reporters of French-speaking press. In all fairness to and out of regard for him, I refer him to this statement he made to the French-speaking press and I quote:

"I have been living here since 1965, and I have witnessed the Lamontagne affair, the Favreau affair and the Tremblay affair. Wherever there were French Canadians, they attacked them. And who are they attacking in the House now? The Minister of Transport, Jean Chrétien, Yves Pratte. If you look up the oral question period for the past month, you will see that this is what is going on."

This last remark was made by the Minister of Transport, as though his outburst had not been enough, and as though he needed hidden threats, he added:

"And if they want to play this little game, we are going to play it rough".

Madam Speaker, I wanted to report those remarks, to note the minister's attitude and behaviour, in order that he knew how essential it is for Parliament that a Crown minister act with objectivity and impartiality, and foremost how essential that he was not too sensitive about some criticisms and that he never thought that when a minister's competence is questioned, his race, his colour or his origins are attacked.

[*English*]

Madam Speaker, it is not surprising that when the issue of the minister's competence is raised, when the issue of the minister's admitted transportation mess is raised, the minister claims that my colleagues are making prejudicial and racial attacks on him personally. The Minister of Finance (Mr. Turner) and his now well known consensus have been attacked by members on this side of the House of both English and French background, yet he does not feel personally slighted or racially attacked.

The Solicitor General (Mr. Allmand) has been attacked at times for lack of direction, and for a basic sloppiness of approach, by myself and others, yet he does not feel particularly slighted or racially offended. If we attack a minister who happens to be of French Canadian origin, according to the Minister of Transport (Mr. Marchand) we do so for racial or prejudicial reasons. When we attack a minister of English Canadian origin, according to the Minister of Transport we do so to divide English from French in this country's government.

While paranoia expressed consistently in an emotional fashion either inside or outside this House does not constitute a direct infringement on the privileges of members, surely the House can understand that the workings of government and the processes of this House are not aided by the type of shrill accusations and meanderings of the Minister of Transport. Surely, Madam Speaker, compared to his cabinet colleagues he has little to be worried about. The Minister of Finance must have at least every second taxpayer in this country after him. The Minister of National Defence (Mr. Richardson) has a steadily diminishing but nevertheless 80,000 loyal and well armed defence forces upset with him. The Minister of Agriculture (Mr. Whelan) has taken on all of Canada's consumers and, despite a basic kinship with the fertilizer producers, he has them to worry about as well. The Postmaster General (Mr. Mackasey) must have to hire people to open his mail. The Minister of National Health and Welfare (Mr. Lalonde) has thousands of unemployed speechwriters trying to break down his door—

• (1710)

Some hon. Members: Hear, hear!

Mr. Wagner: —not to mention all the Larry Czonka fans in Toronto. And so the list progresses. If all these men were to take the substantive criticisms levelled against their departments as personal attacks, personal slurs, racial references, then we would have descended from the steps of parliamentary democracy to a level of operation not befitting this parliament or the people it serves.

I appeal to the Minister of Transport to think carefully and seriously about the silliness of his ramblings on Friday. No one in this House has ever doubted his sincerity. We doubt his competence, for reasons being enumerated in this debate and because that happens to be part of our responsibility as members of the opposition. If the minister is unprepared to make the distinction between an attack on his administration and an attack on him personally, if he is unable to separate the two, then I submit that he should reconsider the reasons for which he and his colleagues from Hochelaga and Mount Royal came to this federal House originally.

Some hon. Members: Hear, hear!

Mr. Wagner: They came, as many are prepared to believe, to show Quebeckers that there is a role for them in the national politics of this country and perhaps to illustrate to Canada the role that Quebeckers can play. That, Madam Speaker, is a mission with which many of differing political persuasions can identify. However, if it is now to be the minister's function to portray Quebeckers as so entrapped by their ethnicity, so hypersensitive and suspicious as to make it impossible for them to interpret any criticism as anything other than an attack on their person or their origin, then the minister does himself, the people of Quebec and the people of Canada no good whatever.

Some hon. Members: Hear, hear!

Mr. Wagner: Madam Speaker, the minister owes my leader, my party and this House an apology.

Some hon. Members: Hear, hear!

Mr. Wagner: While I may be naïve enough to hope that such an apology might be forthcoming, I say to this House that should it not be forthcoming the minister will have laid open to attack, not his background as a Quebecker, not his competence as a minister but his decency and sense of balance as a member of this House. That Madam Speaker, is very serious indeed.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Wagner: I know, Madam Speaker, that time is running short, and I would like to remind the Minister of

Transport of different aspects of his department that leave so much to be desired that I would need at least one hour to detail them.

I found it strange that the very day the director of the Association for the Unity of Christianism, Mr. Allan Wilding, ended a two-week march between Toronto and Montreal to make the public aware of the unity of Canadians, the very day the pope welcomed our right hon. Prime Minister (Mr. Trudeau) in Rome and praised our pluralism and the policy of bilingualism and biculturalism which is being built year after year in our country, giving them as examples of cooperation, the Minister of Transport (Mr. Marchand) chose that day to show what I would call a thoughtlessness which can seem to be childish or cynical, depending on the way you look at it.

Now that this incident is over, I think the minister should go back to his previous functions. He should be able to find again in himself the energies, the dynamism that characterized him in the years he was an impetuous trade unionist in Quebec. It seems to me he should bring back from this experiment enough strength and objectivity to be able to give at last the Department of Transport the impulse Canada is expecting from the government in such a matter.

I express the wish, Madam Speaker, that this debate will not merely provide the minister with the opportunity of accusing hon. members of the opposition of childishness, as he did, of obscurantism,—how learnedly these things are said—of showering them with abuse, of telling them they know nothing, as we can read in last Friday's *Hansard*, that they do not know how to win elections.

That attitude is far too arrogant, complacent, self-satisfied. Could the minister, in all humility and modesty, not see the errors of his department, accept the suggestions made to him by hon. members of all parties, perhaps even follow the advice just given to him by the Minister of Regional Economic Expansion (Mr. Jamieson), and by grouping all those suggestions at long last give this country a co-ordinated and overall policy to reassure Canadians and above all to guarantee this country the economic future it is entitled to expect from any government?

● (1720)

[*English*]

Mr. Ed Lumley (Stormont-Dundas): Madam Speaker, I anxiously look forward to taking part in this debate for two main reasons. First, I want to comment, from a different perspective, on how I see the government's transportation policy and, second and more important, I want to come to the defence, on a personal basis, of the Minister of Transport (Mr. Marchand) who I feel very strongly has been unfortunately much maligned.

Some hon. Members: Hear, hear!

Mr. Lumley: Members opposite say the minister should not take their criticism as being directed to him personally. Show me a man who is challenged as to his competency, or asked "Where's your guts?" or "Where's your fortitude?" and does not take that on a personal basis, and I will show you a man who will not stand for what he believes in, something the Minister of Transport certainly does.

Some hon. Members: Hear, hear!

Mr. Lumley: I believe, Madam Speaker, following the representations I made on a non-partisan basis when I was a mayor of my municipality, that the results we obtained as a result of the policies set down by the Minister of Transport (Mr. Marchand) when he was minister responsible for DREE, as well as his policies as Minister of Transport, would demonstrate it was not the same kind of story as opposition members would like us to believe. This also gives me an opportunity to say "thank you" to the minister and to the government; on behalf of my constituents, for the tremendous job they have done for our area.

I am sure the only thing that members on both sides of this House would agree upon is the fact that regional economic expansion and transport policies go hand in hand. In 1970 the present Minister of Transport was minister responsible for DREE, and in the latter capacity he came to Cornwall. We had a very low base of economic power, to say the least, with over 20 per cent unemployment. At that time, in his usual candid manner, the minister did not make any false promises; he set out the facts as they were. We did not tell the people what they needed or what they did not need, but promised that a study would be undertaken. As today, he was criticized by some of the local people in the riding. In 1974, when the results of the very policies he advocated at the time had brought the unemployment situation down to the national level, there was no criticism left to be heard.

Some hon. Members: Hear, hear!

Mr. Lumley: In 1972 I recall reading *Hansard* and listening to criticisms of opposition members with respect to DREE policies. If I am not mistaken, although I did not participate in the elections at that time, the election was conducted on the issue of regional economic policies. In 1975 I do not hear hon. members opposite from the Atlantic provinces, talking about in-migration for the first time in their history. I certainly do not hear members opposite from the western provinces talking about economic prosperity and the problems of economic prosperity they are presently experiencing. Many of these accomplishments were the result of policies advocated by the present Minister of Transport and his government.

Some hon. Members: Hear, hear!

An hon. Member: Rubbish!

Mr. Lumley: The minister followed through with his policies in Cornwall in 1970, he followed through with his DREE policies in Canada in 1972, and he will follow through with the transportation policies which he set out in 1974.

Some hon. Members: Hear, hear!

Mr. Lumley: I am sure hon. members will agree that the position of the Minister of Transport is probably one of the most difficult in the entire dominion.

An hon. Member: He's in difficulty all right.

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

Mr. Lumley: I shall be glad to entertain a question at the end of my remarks. The Minister of Transport holds one of the most complex offices in the world. There is not a corporate executive in Canada who faces the problem of the Minister of Transport. The company for which I worked has perhaps the broadest distribution base in the world.

Mr. Baker (Grenville-Carleton): Things go better with Coke.

Mr. Lumley: I am glad to recognize that statement from the hon. member for Grenville-Carleton (Mr. Baker). Our country comprises 14 million square miles, almost 3,000 miles north to south and 3,000 miles east to west. I wonder how many members sit down and try to comprehend the problems the minister faces. The company for which I worked is involved in every city, town and hamlet in the country. It is one of the most profitable corporations in the world. Yet never once did we meet the magnitude of the problems this minister faces.

We keep talking about transportation policy in general. Hon. members may say that there is no policy. The hon. member for Yorkton-Melville (Mr. Nystrom) commented about freight rates and regional expansion, as did the hon. member for Lisgar (Mr. Murta) on Friday. I hope they do not really believe that equalization of freight rates would solve all the regional economic problems across Canada.

Mr. Nystrom: It would go a long way.

Mr. Lumley: There is far more to regional economic expansion that the equalization of freight rates. Members opposite talk about the lack of foresight in the Minister of Transport. In my riding an announcement was made a year ago, prior to my being a member, concerning a new Ministry of Transport training institute. I challenge members opposite: if they do not think there is any future in the transportation policy the government is advocating, take a tour down to Heron Road and find out the future policy and programs of the Ministry of Transport. Let them find out about the new school that is going to be started in Cornwall in 1975. I guarantee the philosophy would change across the House.

At the present time, the Ministry of Transport is conducting senior management courses involving new training techniques in transportation. These courses are unique in the world. This is something which came under the administration of the present Minister of Transport. Provided all sectors of the economy, including the private sector and provincial governments which are actively interested in the programs of the Ministry of Transport training institute, can co-operate, hopefully this institute can become a national transportation centre.

I should like to comment on something the hon. member for Regina-Lake Centre (Mr. Benjamin) said the other day. He was talking about the inadvisability of DC-9 flights between Ottawa and Montreal. Who was the Minister of Transport who introduced STOL? That will answer the question. If that is not progressive, I really do not know what is. I do not mean the kind of "progressive" that the hon. member for Grenville-Carleton, who is looking at me, is thinking about now. The foresight of this government in the transportation field goes back many years. I recall the years during which Hon. Lionel Chevrier, then the hon. member for Stormont, was minister of transport: another great Liberal.

[Mr. Leggatt.]

Some hon. Members: Hear, hear!

Mr. Lumley: Little things, Madam Speaker, when you see the bridge between the United States and Canada in Cornwall; little things like having the foresight to add a span extension so that some day when the all-Canadian Seaway is built, maybe in 1980, maybe in the year 2000 no extra cost would be incurred. Foresight, Madam Speaker, foresight such as this government advocates in transportation policies.

Some hon. Members: Hear, hear!

Mr. Lumley: I realize there are many members who would like to take part in this debate, so I will close with this final remark. I mean this most sincerely. I also mean this in a non-partisan way, as a former mayor of the city of Cornwall. If every community in the country could benefit in as short a period of time as my community did because of policies, attitudes and working relationship we had with the Minister of Transport and this government, we would not have any economic problems in this country.

● (1730)

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, I want to concentrate on one vital aspect of transportation policy in Canada this afternoon, namely, regional air policy. Unfortunately, discussion on this subject has been sidetracked by the introduction of extraneous matters by the minister, so I want to get back on target this afternoon by zeroing in on a specific problem.

The speaker who just preceded me referred to the Hon. Lionel Chevrier as an outstanding leader in the development of transportation policy in Canada. I had a conversation recently with Mr. Chevrier in his capacity as President of Nordair. I can assure the hon. member that he was less than happy concerning the direction regional air policy has been taking during recent months.

I have some sympathy for the minister and the problems that confront him so I am not going to personalize my remarks this afternoon by zeroing in on any particular minister. The problems that have been outlined effectively by opposition spokesmen are the by-product of several recent ministers.

I was interested this afternoon to hear the Minister of Regional Economic Expansion (Mr. Jamieson) take part in the debate. He was a former Minister of Transport. In fact, he changed places with the present incumbent in that position. I listened to the minister in charge of DREE and suspected that he was preaching for a call, as though he would like to get back on the job as Minister of Transport.

There was a little bit of uncertainty as to who was going to be the major spokesman this afternoon in replying to the presentation of opposition members, and it will be interesting to see the permutations of any Cabinet shuffle, as they unfold in the weeks that lie ahead, particularly if there is to be a transfer of responsibility in this portfolio.

The major difficulty in transportation policy arises from the failure of the government to come to grips with the MacPherson Report, which in the early 1960's resulted from an examination in detail of transportation problems in this country. After several years' delay, following the change of government in 1963, a new transportation policy was finally forthcoming. It established the Canadian Transport Commission in place of the old Board of Transport Commissioners. Placed in charge of the CTC was a former minister of transport, who has been referred to from time to time in this Chamber. In fact, during the question period today we had a very interesting question answered in respect of the position of that former minister of transport, the Hon. Jack Pickersgill, who shifted sideways from a ministerial responsibility to the chairmanship of the CTC. Incidentally he was followed by another former minister of the government.

In 1972 the Leader of the Opposition (Mr. Stanfield) made the specific promise that should he become leader of the government in Canada this business of shifting ministers of transport and other former ministers of the Crown to head important bodies like the CTC would end forthwith. The tendency is to politicize those bodies which should above all else have an independent expertise in respect of transportation problems.

One of the major reasons we are in the mess that has been described by the present Minister of Transport (Mr. Marchand) as "a mess that is worse than anyone realizes" is that we have not had the leadership from the body designated by this parliament to bring the required expertise into the resolution of the extremely complex problems of transportation, recognized by everyone in this House.

Mr. Stanfield: A political graveyard.

Mr. Dinsdale: Because it is a political graveyard it has also become the graveyard of all the fine hopes expressed in the MacPherson Report, which ushered in the legislation establishing the CTC with the hope of bringing order out of existing confusion.

To get back to the specific problem, the failure to move forward on a rational regional air policy, I point out that in 1973 the present minister announced route divisions between Air Canada and CP Air as designated international flag carriers for Canada. That was a good and positive step, and we applauded the minister for his initiative. He announced also that there would be two further announcements to deal with the fundamental problems involved in regional air policy, plus a supplementary statement on third level air carriers which would fill the gap in existing air transportation policy.

Some two years later we have not moved beyond the original initiative of the minister. As a result, general air policy and third level carrier policy have been a matter of flying by the seat of the pants on the part of the minister and the government. There is no guidance, no direction, and no policy which makes it possible for the five designated regional carriers to plan on a long-term basis.

Mr. Marchand (Langelier): What about the agreement with the government of Manitoba on S-27 service for the Yorkton-Brandon region?

Mr. Dinsdale: I am coming to that in a moment, and I will not be sidetracked at this stage of my remarks.

The tragedy in respect of regional development is that air policy, as it has been designed to the moment, is geared to the needs of Air Canada, and I think this can be easily demonstrated by some of the recent decisions in respect of regional air policy. I cannot go into too much detail, but the application by Nordair to provide a service between Thunder Bay, Sudbury, Ottawa and Montreal was rejected. This is where the Hon. Lionel Chevrier quarrels with the present lack of policy. Air Canada expressed no interest in that route, but as soon as Nordair submitted its application Air Canada submitted an application and Air canada was given the right to provide that particular segment of regional air service.

At every opportunity this minister comes to the defence of the monopoly position of Air Canada, as he did in the House the other day when the hon. member for Vegreville (Mr. Mazankowski) asked for a copy of the Air Canada contract, which was formerly called a contract between the government of Canada and Trans-Canada Airlines. The reply by the minister was that to reveal this information would do irreparable harm to Air Canada. We have now discovered that the information is available in the National Archives of Canada.

It has become the case that whatever Air Canada wants, it is that which determines what the Cabinet decides. That is why Nordair has decided to appeal the decision of the Air Transport Committee, with every right, because Nordair was operating under the designated regional policy laid down by the former minister in 1966, and extended as recently as 1973.

● (1740)

Now I should like to move to the specific problem to which the minister has already referred as it applies to Manitoba and Saskatchewan. For over a year now the western part of Manitoba and the eastern part of Saskatchewan have had no air service whatsoever. This situation has existed in spite of the fact that the minister said that adequate air service is absolutely essential for regional economic development. He was supported in this statement by the Minister of Regional Economic Expansion when he spoke this afternoon.

In order to help us understand how this situation of a complete vacuum and void in prairie air transportation policy has developed I have in front of me the regional air carriers' latest information booklet in which they show the routes that are already covered by the regional air carriers in Canada. The province of Saskatchewan has absolutely no regional air service whatsoever, and west of Winnipeg Transair is not carrying out its responsibility. This again is related to the basic broad orientation of the minister that what is good for Air Canada is good for everybody else.

Let me give a little history. Air Canada originally accepted the responsibility to provide the service. It provided an excellent service right through from Calgary to Winnipeg. With the announcement of the regional policy in 1966 Air Canada asked to be relieved of this responsibility and to have it turned over to the designated regional carrier, Transair. Because that run was not economically

feasible a subsidy was provided. Let me talk about this business of the subsidy.

Because there are very few air services in the smaller communities which actually pay for themselves it is essential that such services be subsidized from the national treasury. If the subsidy had been continued it would be a lot less expensive than the program of the commuter air service which is about to be launched. This service will not involve a regional air carrier but will involve a third level carrier even though we have not yet had a policy for third level carriers enunciated by the minister.

As an indication that the government had long term plans, runways were strengthened and lengthened. In 1970 the new terminal at Brandon was opened and it was such an auspicious occasion that the Minister of Transport at that time, the present Minister of Regional Economic Expansion, attended in person the terminal opening and made marvellous forecasts of how the service would be expanded in the future. Since then everything has been downhill. The subsidy was withdrawn and the service was downgraded to commuter third level service provided by Midwest Airlines, a subsidiary of Transair. Since January a year ago there has been no service.

It was the Air Transport Committee that gave permission to stop the air service into that area over a year ago. I shall deal with this in a moment in relation to a decision which that committee brought down with reference to an application Transair had before that committee for a year, in which it offered to meet its obligation to the regional air policy and to provide a first-class jet service between Prince Albert, Regina, Brandon and Toronto, without subsidy.

In giving a negative decision on the jet application, the Air Transport Committee obviously was looking over its shoulder, because on page 11 of its decision it states:

> The concerns of the Saskatchewan government and the Regina Chamber of Commerce stem in part from the intervention of Air Canada respecting the adverse effect of the Transair proposal on Air Canada traffic and hence on its future plans for improved service.

In other words the committee was aware of the fact that if this were done Air Canada would not improve the service as it had intended. In its decision the committee states:

> The committee is sympathetic to the concern expressed by Brandon and the communities in the Brandon area that the citizens of that area have to travel via surface to Winnipeg in order that they may connect with flights of a mainline or regional nature. The committee wishes to point out, had Transair or any other applicant made application to serve Brandon in a different manner than Transair has in this application, and, in addition justified the need for such a service, the committee would have given serious consideration to such an application.

In other words the decision of the committee was based on the attitude that Air Canada takes to these important matters. I want to suggest to the minister, who has referred to this third level commuter service, that it will not serve any useful purpose unless it is linked to a regional first-class service which makes it possible for Transair to discharge its obligation west of Winnipeg. I am sure the minister will agree that it is quite unreasonable and out of context with regional air policy to have Transair and its service at Winnipeg. It flies between Winnipeg, Dryden, Thunder Bay and Toronto, but does not provide any service west of Winnipeg because the ACT has refused to authorize the provision of service in that area of responsibility.

[Mr. Dinsdale.]

I wish to make some precise suggestions before my time expires, whereby the minister can enhance his reputation and deal with a specific problem. I have been in correspondence with his former parliamentary secretary, the hon. member for St. Boniface (Mr. Guay). I received this reply in a letter signed by the deputy minister, Mr. Stoner:

> Under the Aeronautics Act, applications for licences to operate commercial air services are made to the Canadian Transport Commission, and the Commission, not the Minister, may issue the licence. However, under the National Transportation Act an appeal from a decision of the Commission on an application for a licence under the Aeronautics Act is provided to the Minister. It would hardly then be proper for the Minister to interfere with a decision of the Commission in the first instance or to express his opinion on a matter before the Committee which might later be the subject of an appeal to him.

I ask the minister to accept his responsibility under the Transportation Act and appeal the decision of the committee, since it seems that this is the only way we will ever have adequate air service under the regional air policy. I would hope a public hearing would be held in this regard. The decision of the committee was brought down after a delay of more than a 12 months' period, and there were no public hearings. As is indicated by the decision from which I quoted, the ATC was sympathetic to the application in the realization that the air service was inadequate in the context of regional air policy. I believe the commission would have been willing to acquiesce, but because there was opposition by Air Canada to the effect that it interfered with its monopoly position in that part of western Manitoba and eastern Saskatchewan, the proposition was turned down.

I would hope also that the minister would meet with the regional air carriers. The regional air carriers obviously are quite concerned about the present policy. I trust that the minister has read the booklet which outlines their concerns. Perhaps I can best draw his attention to the situation by reading from the booklet itself. It refers to the fact that the policy was laid down in 1966. It states:

> They were to provide regular route operations into the North, and to operate local and regional routes to complement the main carriers.
>
> . . . The government also proposed a modest subsidy policy to aid the development of marginal air routes.

It refers to the fact that in 1969 there was a refinement of government policy which divided the country into regions covered by the five present regional carriers. With reference to Transair, the prairie provinces and northwestern Ontario were the designated area of responsibility for this regional carrier. A little note is added here that later Transair was also given access to Toronto. I ask the minister: why does that responsibility end at Winnipeg? Why is it not extended to cover such areas as Brandon, Regina and Prince Albert? Transair had to withdraw from this obligation because of the withdrawal of the subsidy.

● (1750)

The minister has indicated that a third level carrier is about to be established. The government's participation in this third level carrier operation is to provide two aircraft. There is no operating subsidy. The provinces of Manitoba and Saskatchewan have had difficulties meeting the obligations governing the operation subsidy.

In conclusion, Madam Speaker, I ask the minister to compare this with STOL for which the government has taken complete financial responsibility. It is a demonstration project. The same designation is given to the proposed commuter service between Yorkton, Dauphin, Brandon and Winnipeg. Let us be fair and equitable, and let us take a thorough look at the proposition that has been put forward by Transair and turned down. Will the minister use the authority that is granted him under the legislation to ask for a review, and particularly refer the matter to the people?

Mr. D. M. Collenette (York East): Madam Speaker, I see there are a few minutes remaining before six o'clock. I am very pleased to be able to intervene in this debate as a mere, humble backbencher. I have been here six or seven months, and I find that whenever the subject of transportation comes up for discussion in the House it is always discussed in terms of freight rates or the regional air policy, such as was referred to by the hon. member for Brandon-Souris (Mr. Dinsdale). Regional matters are very important, and it appears to me that parliament does not hear too often the voice from central Canada on intercity rail, for example.

Let me state briefly the problem of intercity rail transportation in the context of this debate. One thing we must remember is that the issue is very complex. I think that my colleague, the Minister of Regional Economic Expansion (Mr. Jamieson), summed it up very well when he castigated the opposition for expecting a well defined transportation policy to be enunciated, introduced to parliament, and to become law in the space of a few months. This is not possible.

A debate on transport has been going on now for two days, and I think that my intervention this afternoon contains the first mention of intercity rail transport. It is a very wide subject indeed. I will refer to the words of the Minister of Transport (Mr. Marchand) when he spoke on Friday and said that we must find the best techniques to ensure the best possible service for Canadians. We should not try to rush off and implement a new policy just because the opposition members are getting hot under the collar and are prodding us every which way. To prepare a new policy takes time.

On Friday, the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds)—who was here a few minutes ago and who is now lurking behind the curtains—referred to our party's well received transportation policy in the last election campaign. He said that it was enunciated but that no legislation had come before the House as yet. He knows as well as I do that many of our proposals do not require new legislation. As I shall show later, the minister is leading the way in implementing these new policies. In fact I might say as an aside that one of the things that made me proud to stand as a Liberal candidate in the last federal election representing an urban constituency in Toronto was the party's transportation policy.

Some hon. Members: Oh, oh!

Mr. Collenette: I know it is hard for hon. members opposite to swallow that, but members on this side are certainly united in their belief that the policies enunciated in the last election campaign were good ones, and that many salient points were brought out for the benefit of all Canadians.

One of our proposals last summer was for the establishment of a Canadian Passenger Transport Corporation to assume responsibility for the operation of all intercity passenger train services which are now the responsibility of CNR and CPR. The government in a sense issued a warning to the railways, through this proposed policy for the establishment of a corporation, to start paying attention to rail passenger services, especially in the high density traffic corridor between Windsor and Quebec, and to pay attention to passenger needs between Montreal, Ottawa, Toronto, southwestern Ontario, the Atlantic provinces and the links between Edmonton and Calgary.

This proposal was bold and had the effect of creating—to use President Theodore Roosevelt's words from a by-gone era—"a big stick," because it appears, from all I read, from my travels on CNR these days, and from the remarks I heard from the president of CPR, that the railways are getting the message and are making a conscientious effort to upgrade their services. We have now the Turbo train running twice daily between Montreal and Toronto. I believe it runs once a day between Ottawa and Montreal. On Friday night, due to the disruption in the air service, my colleague, the hon. member for Middlesex-London-Lambton (Mr. Condon), and I travelled six and a half hours on that great CN train to Toronto. I think we were very well looked after, except for the speed at which the train travelled, something to which I will make reference in a moment. In any event we had a very comfortable ride!

It is clear that speed is essential in rail travel, but that the railways at present cannot achieve it. However, with the assistance of this government they will be able to achieve it. Madam Speaker, I see it is six o'clock. Perhaps I will be allowed to finish my remarks after the recess. May I call it six o'clock?

The Acting Speaker (Mrs. Morin): It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Collenette: Mr. Speaker, I shall not be too long concluding my remarks as I understand there are a number of other members who wish to speak this evening.

Before the hour of six o'clock I was talking about the need for speed in intercity rail travel, and I put forth the argument that the railways really will have difficulty in matching our expectations unless the government comes forward with some assistance in helping to develop new technology, such as the very successful light, rapid, comfortable rail cars now being tested. Indeed, I believe the LRC test locomotive is being used on the daily Tempo run from Toronto to Sarnia pulling conventional coaches. These trains can attain speeds of up to 125 miles per hour.

The test with the LRC is essentially designed to allow railway personnel to become familiar with the operation of a daily service and to see how the equipment performs in an endurance sense over a certain period. Recently the LRC completed thousands of miles of testing at the Amtrack Centre in the United States.

There are other ways in which the government can be of assistance in the development of intercity rail transport. We must remember that there are massive capital outlays required to build a new double track paralleling the present CN right of way from Montreal to Toronto. The government can assist in funding a fully computerized signalling system on the railways, concrete ties, electrification, and continuously welded track. All of these will help facilitate a high speed rail system. I understand that discussions are now under way with CN to look into some of these possibilities. In fact I was informed that only last Friday, the day when this debate began, that the Minister of Transport met with senior officials from both Canadian National and Canadian Pacific to discuss ways of improving intercity rail passenger services.

As for Canadian Pacific, the big stick of the Canadian Passenger Transport Corporation proposal to which I referred earlier in my remarks, I am sure prompted Mr. Sinclair, the president of Canadian Pacific, in his recent remarks to admit that existing technology would permit CP to introduce highspeed rail links on the Montreal-Ottawa line and to cut down the travel time to about 75 minutes; and I reiterate to my hon. friend from Burnaby-Richmond-Delta, who is not here at the present time, that no new legislation is needed in this case, only the good will and the determination of the railways to comply with government intentions. The failure to comply with what we believe on this side of the House is the direction in which intercity rail should go would leave the government in a very dicey position. There is one alternative left if we do not receive the co-operation of the railways, and that is the full nationalization of the rail section of CP and the creation of one Canadian railway company, publicly owned, and serving the interests of Canada.

Hon. members of the Official Opposition this afternoon sneered when this solution was proposed by the hon. member for Yorkton-Melville (Mr. Nystrom), but it is the responsibility of the government to see that Canada's railway companies, which receive so much in the way of massive financial assistance from the taxpayers of Canada in the form of bonds, debentures, loans, land grants, etc., serve the present needs of the Canadian population.

The revitalization of our passenger rail services will involve a vast construction program for public transport vehicles and thus create an enormous area of industrial employment opportunity. I understand that there are now about 800,000 Canadians already employed in the transportation field alone, and this will be vastly increased by revamping the rolling stock through the introduction of new types of railway cars such as the LRCs. Revitalization of our intercity rail systems with high speed trains will help to decentralize growth in our urban areas. As a member for the metropolitan Toronto region I am very concerned about this particular facet of intercity rail.

Intercity rail development will help to add stimuli to smaller communities by offering them a fast direct link to major metropolises. It will help them become small industrial centres. It will help them become bedroom communities for the larger centres. It will for the first time create competition for the airlines in many domestic shorthaul routes—shorthaul routes which wastefully consume jet fuel in an age of scarcity, crowd air terminals and exacerbate the noise problem for thousands of residents in the urban areas, especially in the west end of Toronto. Perhaps those of us who took a stand on this side of the House in doubting somewhat the wisdom of the government going ahead with the building of a second airport in the Pickering area will be justified in the end as a highspeed rail system could dampen demand for air transport in the dense corridor between Quebec and Windsor.

I would like to digress for just a moment to refer to the minister and his approach to the Pickering airport and the needs of that area. It is no secret that there was much discussion on this side of the House. There was much internal debate and opposition to the proposed full scale $1.5 billion Pickering Airport; but it is the measure of the present minister, who has suffered from the spurious and vituperative attacks of hon. members on the other side of this House, that he listened to hon. members on this side, took their counsel, and agreed after much deliberation to scale down the size of that airport. It is now a $250 million proposal. There is the option to expand if those critics of the airport are wrong, but I believe it leaves the door open to develop new ways of transporting people in the high density corridor along the Lake Ontario-St. Lawrence region.

I could go on to talk about the spinoffs of a highspeed rail system as it will affect our urban areas, such as weekend excursions for winter weekends for workers in cities, or to take masses of city dwellers to the lakeside in the heat of the summer, but I think I should conclude because I know there are other speakers who wish to contribute this evening.

Mr. Paproski: Oh, go ahead, don't be modest.

Mr. Collenette: To this day, until the threat of massive government intervention with the Canadian Rail Passenger Corporation, the limited subsidies provided by the government to railways for rail passenger service—80 per cent of the losses, I believe, are covered—have not been sufficient incentive to the railways to maintain and update their passenger rolling stock and equipment. However, changes are on the way, and these changes destroy the credibility of the motion we have before us. We are dealing with a complex matter, and I realize hon. members on the other side are not used to thinking in such complex terms.

Mr. Paproski: Shame.

Mr. Collenette: That is in essence the motion we have before us. We have a transportation policy which members of this party put forward in the election.

An hon. Member: Come on.

Mr. Collenette: It was widely accepted by the Canadian public, especially in the urban and the highly developed areas. Look at who won all the seats in the highly devel-

oped areas of Canada—members on this side of the House. We have a policy, Mr. Speaker, but they do not like it and criticize it because it takes a long time. Mr. Speaker, it always takes a long time to develop good, sound ideas.

● (2010)

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, the Minister of Transport (Mr. Marchand) will be happy to know that I do not plan to speak very long on this motion. I would not want the minister to think that I am picking on him just because I think that he should have come up with a transport policy of some kind during the years that he has had his portfolio. After all, if a member accepts a portfolio, such as the Minister of Transport has, we in the opposition and the Canadian people as well, have a right to expect him to tell us from time to time what are his policies. If he does not have any policies then he can expect to have the opposition keep the pressure on until he comes up with some.

My own interest, strangely enough, Mr. Speaker, has to do with rail service, or the lack of rail service, in my riding of Parry Sound-Muskoka, and in many parts of Canada such as western and northern Ontario. I know most people think of Parry Sound-Muskoka as a little corner of Paradise, or the Garden of Eden, and naturally think that it is off the beaten path, off the main line, so to speak. But that just is not so, Mr. Speaker. My riding is on the main line to Sudbury and North Bay, and for that reason you would think that it would be easy for the railways to provide adequate rail service through it.

There are a number of reasons why the people of Parry Sound-Muskoka have a right to expect the railroads to serve them, or at least to pretend once in a while that they know that we exist. The minister could show from one of his old timetables, that we used to have fairly regular rail service, passenger and freight, through my riding, and he could add that the people did not take advantage of the service and so it was cut off. The fact is that the regular service that we used to have came through at such times as to make it inconvenient, if not impossible, for people to take advantage of it. I know that it does not matter if a freight train runs through the riding on the way to Vancouver at three o'clock in the morning, but it matters a great deal if passenger trains go through at such an ungodly hour.

We find another example on the very important run from Ottawa to Montreal. A few years ago it used to be a pleasure to take the train, have breakfast on the way, and get to the big city in time to do some business and take the train back again in the evening. However, the railways decided that it was too much trouble serving mere passengers. They altered the schedules, took off the dining car and generally discouraged people from taking the train.

The government is spending tens of millions of dollars on an experiment to initiate the world's first downtown to downtown STOL airplane service between major cities. While this is certainly a step in the direction of providing adequate service between cities, it is still not a complete substitute for adequate rail passenger service between Canada's major cities and areas. In fact, Mr. Speaker, the government talks about using the new STOL service in order to prove that our aircraft industry can make a better STOL plane than anyone else, so that we can sell airplanes.

Just a couple of years ago we were involved in fierce debate over whether the two major rail systems in our country should be allowed to discontinue transcontinental passenger rail service. It was found then that the railways wanted to concentrate on freight service and gradually scale down passenger service to the point where people would just get tired of the whole mess and use the planes and buses. We just squeaked through that one and ended up with minimum transcontinental rail passenger service. But we in Parry Sound-Muskoka still do not have anywhere near the service we need and should have.

Everyone in this House knows that our highways are getting to the point where they are clogged with traffic almost around the clock. This means that people are burning gasoline at a greater rate than they should, and it means also that the incidence of highway deaths and injuries is rising yearly at an alarming rate. Automobile repairs and write-offs amount to hundreds of millions of dollars, and this is reflected in increased insurance premiums. I can speak with some authority on that as an insurance agent.

Adequate rail passenger service from cities like Toronto to outlying areas such as the Muskoka lakes vacationland would take hundreds and possibly thousands of automobiles off the roads, especially on weekends. I do not believe that anyone in his or her right mind would consider driving an automobile between these points unless it were absolutely necessary; therefore, proper train service would take much of the necessity out of this type of driving.

It is said trains run at a loss, but if there were a special rate for a vacationland train of this type it would pay its way, and would be filled to capacity.

Most of the stations in my area have been torn down, abandoned or replaced with a small leanto that could only be termed as a backhouse. There are no lights, and you have to stand out and try to flag down the passenger train as it goes through.

The railways are concentrating most of their efforts on providing freight service while scaling down passenger service, and even the freight and express service are not all that they should be. During the last strike, because there was no express train service the Grey Coach Lines started a parcel delivery service, and they are still in that in a big way. Buses going north are loaded because they are giving fast, guaranteed service.

Industries and businesses in small areas are not able to ship goods by rail because of the high cost of freight. As was mentioned earlier today in the House, short run freight rates are prohibitive. If something could be done to streamline freight rates I am sure it would be to the advantage of the railways. Of course they do not have too much competition. The two main companies own trucking services—in other words, you have to deal with the railway whether you ship by rail, car or tractor trailer transport.

The countries of western Europe have better railway service than we have in Canada even if they do not have the distances to contend with that we have in our country,

with its vast areas and distances between major cities. Yet the railway is still the best means of transport, or at least it would be if we could have adequate and dependable rail service.

We hear today that with the airlines also, freight service is increasing at a faster rate than passenger service, and most airlines are using combination passenger-freight aircraft. In fact even some of the jumbo jets, designed for passenger services, are being converted into freight carriers.

This morning's *Globe and Mail* featured a story on its front page telling of how passengers on Air Canada flights to Toronto were landed in Montreal and abandoned to their fates. They were not fed, nor were they given any assistance in getting to the destinations for which they had bought tickets. It seems that the Air Canada officials felt that, as long as they landed their passengers somewhere in Canada, then they should be satisfied.

● (2020)

This diversion was made necessary because the runways at Toronto International Airport were covered with snow, and the runway cleaners were on strike. A spokesman for Air Canada was reported as saying that Air Canada could not accept responsibility for passengers whose flights were interrupted for reasons beyond Air Canada's control. It was also reported that passengers bound for Toronto on CP Air were fed when they landed at Montreal, and were afterwards sent on to Toronto by bus.

The government-owned airline seems to have the same attitude toward people as the government-owned railway, and this can only be explained as a lack of government transportation policy. It could mean also that the government-owned airline is more interested today in hauling freight than in serving passengers. Whatever the reason, let me tell the House that if I ever buy a ticket on Air Canada for a certain destination and get dumped in some other place, then I shall be talking to the minister or to the Air Canada officials about it.

I do not know whether the Minister of Transport will even get the point of what this opposition day is all about, but I do know one thing; we in the opposition will not fail to let the minister and the government know, on a day-to-day basis, that the Canadian people are getting fed up with not having a national transportation policy. They are fed up with being treated worse than cattle and grain when they travel on our railways and airlines. People deserve better, and if the minister does not feel that he can create some order out of the confusion in his department, I suggest that he do the decent thing and resign.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it is a great pleasure to join in this debate on the extremely important question of transportation, and particularly to follow immediately the observation of the hon. member opposite that "we are very concerned about the need in Canada for a transportation policy." Those words are very interesting. How often do members of the opposition use those words, and then immediately point to what they mean by them by indicating that there is a clear need for an additional airport runway in the village Podunk in order to make Canada's transportation policy perfectly effective.

The members of the opposition express their interest in transportation matters by asking the Minister of Transport (Mr. Marchand) about things such as that—an individual runway here, a particular subdivision there, and the line of a report some place else. I suppose this is a fairly classic opposition tactic, to attempt to make it seem that the minister should know about each of these small details, matters that in fact are only suitable for the order paper.

The fact of the matter is that such individual details cannot and should not be in the forefront of the mind of the Minister of Transport, who is attempting to formulate and develop an over-all policy for transportation in Canada within federal jurisdiction. The concern of the opposition about these petty and minor matters distracts from some other rather key issues.

The Minister of Regional Economic Expansion (Mr. Jamieson) pointed out today what I think everyone should recognize, and that is that with our tremendous geographic problems, problems that make transportation an important, indeed essential element in this country, we have by and large been reasonably successful with our transportation system. Our criticisms of the system are really related to our desire for a better system, rather than contrasting how the job is done in other countries.

At the present time the opposition are concentrating on individual, minor issues. They are trying, as they have tried before, to make something strange out of the fact that because of my responsibility for grain and connection with the grains group, and because of my role in which I work closely with the Minister of Transport regarding the handling and transport of grain, both the Minister of Transport and I are interested in the same important subject matter.

I say it is an important subject matter; about one quarter of the ton miles of freight hauled in Canada is of grain. We have seen the railway perform this task extremely well during the past several years. While we have had labour troubles and have encountered other difficulties in trying to achieve internationally new and record goals, we have none the less achieved these goals.

I should remind hon. members that in the year 1972-73, notwithstanding significant closedowns because of labour and other problems, such as cold weather and difficulty getting through the Rockies, the railway system in this country moved over 800 million bushels of grain for export and in total close to one billion bushels of grain were transported, an amount never before achieved.

We have also made great improvements to the rail system in the matter of grain handling. Things like hopper cars, the block system and co-ordinators at terminals are all part of trying to make the system work more efficiently. Hon. members should be aware as well that one of the reasons transportation is such a massive responsibility, one that cannot be within the knowledge and purview of the Minister of Transport to the last detail, is that in this country we have developed a transportation system where we rely on the individual responsibility of the various parties to, and parts of, that system. It is not for the

Minister of Transport to endeavour to try to run the railways or to run Air Canada. It is not as though he should be involved in every one of the system's facets. The system must always run with reliance placed upon the responsibility of the various individuals throughout the system; and the role of the government, and therefore that of the minister, is one of over-all co-ordination and development of planning to see that all goes well.

Under the present Minister of Transport development of planning and policy has been moving forward like never before. Here, of course, is a major area where the opposition has an extremely legitimate and useful role to play, namely, in putting forward to the government major policy considerations. I think it has, too, the responsibility and opportunity to repeat to us time and time again the promises and pledges we have made regarding a major overhaul of the transportation system. It is therefore not surprising that the opposition wants at this point in time to show impatience at the kind of job being done.

The important thing to remember, Mr. Speaker, is that as those promises are carried out and as those pledges are implemented, our national policy will show its new form in terms of developing the kind of transportation system that we need. That is what the work of transportation is all about at the present time. It is a matter of major planning, of such issues as the control of rates in this country for freight, and of determining a new technique. We are not satisfied with the technique of the past.

Let me remind hon. members that no one in the House should treat this matter as though it were a simple and easy one. We cannot expect solutions to be found and implemented overnight.

An hon. Member: Huh!

Mr. Lang: I remind the House, and the Conservative member who says "huh," that during the term of office of several years of the Conservative government under the right hon. member for Prince Albert (Mr. Diefenbaker) the only step taken in terms of a transportation policy for Canada was the creation of a royal commission, which itself sat for six or seven years before reporting. That was the sum total of the development of a railway transportation policy from the party that now wants to say that somehow solutions should be instantaneous and implemented overnight. Hon. members will also notice that that party does not propose specific solutions but only agrees that the problem has been fairly stated by the government and that, therefore, solutions have to be found.

● (2030)

It is important that we find an appropriate mechanism for controlling the level of freight rates and relating them in some way to reasonable total costs and not leaving the railways free, as they have been largely under the law up to this point, to be limited only by competition. Where there is competition, and by not very satisfactory rules where there is no competition, rules which do not always hold the charges anywhere near total cost. We are not happy with that. A solution to that is what we are seeking. However, we will not pretend that the solution is easy. I challenge hon. members opposite to find one and put it forward if they in fact think it is so easy. It cannot be done.

These are important issues. And so is our pledge that there should be removal of inequities in freight rates, and we are going about this in the way the complex problem deserves.

If members opposite want to criticize, the Minister of Transport (Mr. Marchand) may be doing so much consultation with the provinces upon these issues that he is being that much more thorough in order to bring them along with the matters he is undertaking and studying. However, hon. members know full well if he were doing any less, that would be the front upon which the attack would be aimed. It is obvious he is doing exactly what he ought to in order to bring the provinces along to find solutions, in bringing about fair and equitable freight rates.

Members opposite talk in support of the principles of equity of freight rates. More specifically, I have heard them talk about the importance of and agreeing with the principle in our feed grains policy of producing equity in freight rates between meat and grain. They will say that, but not a word will they say about the manner in which they think it ought to be brought about, the issue that we obviously have to tackle in order to solve the problem.

The only solution of those who think they can do it safely politically is to suggest if there is a low cost freight rate on grain, then obviously a low rate on meat is desirable. However, this will involve further large payments from the treasury in order to support the rail costs that are involved over and above that low rate.

Mr. Hnatyshyn: Hear, hear!

Mr. Lang: The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) applauds. I have heard him say that this government ought not to spend so much, that it ought to cut back on spending, yet this would involve hundreds of millions of additional dollars.

Some hon. Members: Hear, hear!

Mr. Lang: Rather than be concerned about that important issue, they will in their political way attempt to concern people about matters like the challenge to the Crowsnest rate. They put to the Minister of Transport the fact that I made some remarks about the Crowsnest rate. I would just like to say a word about what I did in fact say.

I can first say that no one is threatening the Crowsnest rate. In fact all I said was that in my opinion the rate at the low level was over-valued by farmers compared to receiving the same kind of benefit in a different way.

Let me just use the example of low freight rates for grain and meat as an example because some might think that in itself is a benefit to western Canada. That is not so because rates that are well below cost will still make it more likely that the bulkier or heavier commodity is moved farther than it would in other circumstances at rates that properly reflect costs. Therefore, the very question of the development of a livestock industry and processing of livestock in western Canada may depend upon appropriate rates which in fact reflect costs.

That is a serious proposition I put before hon. members, one we ought to be debating to try to determine the sort of program we should have in developing our transportation policy in this country. Those who want to agitate farmers about the Crowsnest rate should listen again to what I have said. No one is threatening the Crowsnest rate. I said clearly that no change should be tolerated except if farmers themselves see the benefit of the kind of change and agree to what is going on.

What we ought not obscure in this issue is the importance of knowing what it really costs to move particular products and to consider the economic impact upon development in one place or another by allowing that rail cost to be reflected, or hiding it in some form or another. That is the sort of important issue we have to face in trying to determine what kind of railway and freight structure we ought to have.

Hon. members have shown some concern in recent days, and certainly in the previous year, about the question of branch lines on the prairies. To a large extent we have allayed the bulk of that concern by putting into a basic rail network two thirds of the rail lines on the prairies. The remaining one third, almost all of the rest, we have dealt with by giving them protection for a further year. We would be prepared to extend that if the inquiry process we want to take on, region by region, is not in fact completed by that time. It is important that we not lose sight of the urgency of getting on with this job. It is not just a matter of determining which lines are not needed. The crucial issue is the determination and labelling of those lines which not only should remain, but which should be upgraded and built to a standard where they can carry fully loaded hopper cars.

Some hon. Members: Hear, hear!

Mr. Lang: That is the kind of significant thing we have to bear in mind in looking at this transportation question. Vast sums of money will have to be expended on capital improvements in the transportation industry, not only in air, but remarkably so in rail, in this next little while. The Conservatives did nothing but set up a royal commission that lasted for seven years. Therefore our transportation policy may take some months to develop. What is going to become evident as the Minister of Transport unveils and develops this policy is that it is designed to be a policy to serve all of Canada. The Minister of Transport has certainly shown interest in the area of the country from which I come by spending day after day dealing with the problems of western transportation and dealing with the western ministers of transport.

Some hon. Members: Hear, hear!

Mr. Lang: These are the major issues of policy. We will in fact find a way properly to control freight rates. We will find a way to do what can be done to remove inequities in freight rates in Canada. These are the major issues on which the opposition will press for results. I say boldly and plainly that before very much time has gone by the performance of this government, with this Minister of Transport, will justify to the full the pledges and promises which were made, and will give this country the kind of transportation policy it deserves.

[Mr. Lang.]

Some hon. Members: Hear, hear!

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I am glad to participate in this debate, particularly since we witnessed this afternoon the performance of two lieutenants apparently sent to bail out the Minister of Transport (Mr. Marchand). I thought this was a transport debate. Apparently we are yet to hear from the Minister of Transport, who also spoke last Friday, but his arguments at that time certainly did not deal with transportation. They dealt with everything but the problem of transportation. That shows the attitude of this minister and why we are concerned about how that department is being administered. The minister is not running the department. That is our concern.

● (2040)

We heard a very good presentation by the Minister of Regional Economic Expansion (Mr. Jamieson). He brought the debate on track. He concerned himself with transport problems. Why could not the Minister of Transport have done the same—after all, he is supposed to have the authority? He is head of the department and answers for it.

From time to time members have risen to question the minister about specific items. There is no point in elaborating upon them all, but I remember being concerned some years ago about the fact that locomotives were not equipped with flashers. I was told that a study was being conducted, but that is as far as I got. I was told that the cost of equipping locomotives with flashers was prohibitive—that it would amount to something like $700 per locomotive. I imagine it would be more like $2,000 today. Anyway, the minister said that studies were being conducted, and that is as far as the matter went. What was the result of those studies? What was the point in conducting them?

The transportation problem we face in Western Canada has already been well documented. Member after member has given an account of what has happened to shipments of cattle from western to eastern Canada in contrast to shipments of meat. As everyone knows, a conference was held in Calgary. It was supposed to seek solutions to the problems which have so long been irking the people of western Canada. The minister was told the nature of these grievances, as if he needed to be told; every year for the last 20 years successive Liberal governments have been told that the basic complaint is the existence of grave inequities in the freight rate structure.

To dramatize his concern the minister called a western conference, in the course of which all these difficulties were once again outlined. At the end of the conference, a communiqué was issued and the western spokesmen sat back and waited for further developments. The premiers who took part in this conference expected a lot from the minister. They said a break-through might finally have been achieved. From all indications, it should have been. But a minister must do something when an opportunity is presented to him. He cannot just sit on his hands.

I once had a teacher who told us in class, "If you cannot solve a problem, forget it. Otherwise you are like a hen sitting on a rotten egg. You will never hatch a chick out of

it." The Minister of Transport just shrugs his shoulders while another minister bails him out. Then the Minister of Justice (Mr. Lang) has to get involved because he is an authority on justice, an authority on the Wheat Board, and the be all and end all as far as transport is concerned.

One dictator in the cabinet is enough. I do not think we need another. The Minister of Justice has enough problems in his own department. He should leave transportation to the Minister of Transport. Why does he come out with transport proposals affecting Western Canada? We deal in more than agricultural products. There is sulphur, there is potash, there are minerals, all kinds of things. The Minister of Justice takes it upon himself to be the western spokesman. What a mess he is making of it. He himself started the debate on the Crowsnest pass agreement. No one else thought of tampering with it. The man who is supposed to be the western representative in the cabinet proposed doing away with the Crowsnest agreement because of the fact that cattlemen in Western Canada find themselves in a difficult position.

The government says, "Let us take this concession away from the grain farmers and give it to the cattlemen, because the cattlemen passed a resolution at their conference asking for extra consideration on the grounds that if there is a special rate for grain they should get a lower rate, too." Granted the cattlemen have reason to complain, but why take anything away from the grain farmers? For once they are getting an improved standard of living, and now the minister wants to take it away. And there is every indication that he will succeed.

Let us go back into history. There was a commission set up to inquire into transportation, and this commission came up with certain recommendations. That was some time ago. The minister talks about seven years. It is almost seven years now since the freeze was imposed. The freeze was put on in 1970 and it is coming to an end in 1975 by which time, maybe, that study should have been completed. The commission had one specific problem to deal with, and it has taken five years already. Another year is coming up rapidly, yet the minister has told us that a seven year period was too long for a transport study under a Conservative government. Why should we need that extra year? The government should have had a policy ready.

The reason I am taking part in this debate is that we have a block system and the minister has some responsibility for seeing that grain is moved. He says everything is rosy, but the facts are otherwise. Why is not greater use being made of the facilities at the Port of Churchill? Let me give an illustration of what I have in mind. The town of Norquay is closer to Churchill than are many communities in Assiniboia. Nevertheless the railways will not ship grain from Norquay though they are willing to do so from Assiniboia, perhaps as a reward for its electing a Liberal member. There is a shortage of boxcars. Everybody realizes we can transport grain from a large number of communities in Western Canada to Churchill and have the cars back within a couple of days. But they prefer to take the grain from distant communities; the cars take a week to go to Churchill and a week to come back. That is the way the system is being managed.

A few weeks ago I asked what was happening about freight rates. In the communities near Hudson Bay freight rates have shot up by 500 per cent, reaching an unrealistic level as far as many Canadians are concerned. We complain about 25 per cent. The government intervened and reduced the increase to 12½ per cent. This time the minister says he does not have the power to intervene. Yet when the increase of 25 per cent was in effect the minister did reduce it. So, what is he talking about when he says he does not have power under the existing act? I suggest the power is there, but there is no drive or willingness on the part of the government to act on these problems.

● (2050)

Let me illustrate what has happened in those small communities. They were getting their wholesale commodities in from Prince Albert. Before the increase went into effect on February 24, I believe it was, fresh meat came in at $1.89 per cwt. Smoked meat and bacon came in at $1.33 per cwt. and groceries came in under third class at $1.05. Then the railways came in with the new regulations. First of all they locked the rates altogether in one class, and then proceeded to impose the new rates. The new rate this time in respect of groceries jumped from $1.05 to $4.97. What kind of a percentage increase is that? This is much, much more than a 25 per cent increase, and no one needs a calculator to figure that one out.

The minister asks what our problem is and why the west is complaining. He says the government is doing everything it can within its power. I would ask the minister if the government is really doing everything in its power? If the government is concerned about western economic opportunities, and development in that part of the country, perhaps it should establish a branch within the Department of Transport which could work very closely with the Minister of Regional Economic Expansion.

There are possibilities for development in this country, particularly in the west, but we need some co-ordination, and we must have some willingness on the part of the government to tackle these problems. In all the years I have been in this House I have never heard anyone complain when preferential freight rates have been adopted for the Atlantic region. We all know this is an area which requires special attention, and we are willing to give people there that assistance. I think the same thing is true of western Canada.

I suggest that what we are concerned about is when the government gives this type of assistance to that small circle in central Canada, which has a natural geographic preference in any event. The government does everything it can, from every angle, to improve the lot of those people in that small area. The government always looks after them, and I find that this has been true over the years. However, when it comes to improving the situation in western Canada or in the Atlantic area, the government is not quite so willing to act, and I think there is general agreement in that regard among hon. members in this House, no matter which province they represent.

The situation which exists in respect of it being cheaper to ship from central Canada to Vancouver than it is to Regina has been pointed out on many occasions. The Minister of Regional Economic Expansion has asked what

the members and the people from British Columbia will say to preferential rates for the prairies. I suggest this does not have to be the federal policy. It would be all right for provincial governments to take this stand in order to improve the economic environment of individual provinces, but I do not think it should be federal government policy to discriminate deliberately against any region. Even if the government moves only one-half a step at a time toward resolving these discriminatory rates, that will be a move in the right direction.

The cost of shipping freight from central Canada to Regina should at no time be higher than the rate to Vancouver, but that is the situation that exists today. Even if the cost were the same it would not be fair, but at least then we would be removing half the discrimination, and instead of having a half a dozen burrs we would have only three.

I could go on to describe what is happening in general transportation policy so far as Churchill is concerned. Several years ago there was an item in the Blue Book in respect of development at Churchill. Everybody got excited because certain funds were allocated for this purpose. Because of a squabble that began between the officials of the department and some members of the Hudson Bay Route Association, that development never proceeded.

We now may well have a similar situation in disguise, but unless the government intends to proceed with its announced intention there is no point in fooling the people. A tremendous savings could be effected through the use of Churchill as an export port. There is a railway in existence at the moment that could be utilized. The CPR should certainly be allowed running rights by the CNR, and the CNR should be forced to make use of this line. We should always follow the shortest route to the port requiring the shortest period of travel time. I suggest there is no need for a duplication of services or the abandonment of many of these particular rail lines.

After five years of study what did this government come up with? It has put a freeze until the year 2,000 on abandonment in relation to some 13,000 miles of rail line. There is still some 6,000 miles of rail lines in question. We are not concerned about the 500 odd miles on which there is agreement for abandonment. Those are not the lines that one should be concerned about at this time. Nor should we be concerned now about the 13,000 miles that will be frozen, but it should be of immediate concern to hon. members that 6,000 miles are still in question.

What should be our immediate priorities in respect to this proposed rail line abandonment? I suggest the government must indicate to the communities concerned what is planned. There certainly must be co-operation between the federal government, the provincial governments and the local communities. The government must make known its intention in respect of upgrading these lines.

This involves another matter. No one has ever proven to me, or to many of the people involved, that there was ever anything wrong with the roadbeds in question. I suggest that the railways over a period of time have allowed those roadbeds to deteriorate, always keeping in the back of their minds the desire to abandon certain lines. Do hon. members know what transpired during the last five-year freeze on rail line abandonments? I suggest all this did was give the railways time to allow a few more lines to deteriorate to the point that they should be abandoned. That is all that came out of the last freeze.

A study in respect of all these problems should have been carried out and completed by now. All these communities should have been asked to state their problems and how they think they should be resolved. They should have been asked how they think the railways could meet the proposed highway programs which will have to be met if the railways are to discontinue this service. These people should know what facilities will be available for servicing their communities, but nothing like that has ever been indicated.

The railways have held general meetings at certain central points, at which a fast talking public relations man has attempted to illustrate to the few people who were able to attend, perhaps 100 miles from the community affected, that everything is going to be all right, just give the railways the opportunity and they will prove it. It has never been proven that the service has been improved as a result of the abandonment of any rail line. That has never been proven to the satisfaction of the people involved; those people have had to live with the situation.

We are talking about 6,000 miles of proposed rail line abandonment. That is a lot of line, and a lot of people are affected. This is the type of irritation that must be corrected. Transportation has been a very important factor in the development of the west. Transportation can be made to work for the west and for all of Canada, but we need a minister and a government that are willing to come up with solutions to the problems and act on them.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I will endeavour to limit my remarks to 15 minutes or less, partially because I would like to see the Minister of Transport (Mr. Marchand) have an additional five minutes to defend his position and that of his department. I think he is going to need every minute he can get tonight to defend that position in view of the record of that department.

I had intended to begin my remarks with a reference to the statement by the minister in this House on Friday. I might say that there are 5,000 French Canadians living in my riding in British Columbia. Having listened this afternoon to the very constructive and statesmanlike address to this House by the hon. member for Saint-Hyacinthe (Mr. Wagner), I have changed my mind. I do not think it is useful or necessary to dwell on that subject when there are a number of people in this House who can conduct themselves in that manner and who can avoid this issue. I wish the Minister of Transport were one of them because I suspect the hon. member for Saint-Hyacinthe spoke not only for me but also for my party, and I think for many members on the other side of the House.

● (2100)

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Leggatt: Since I came to this House I have always wondered why British Columbia was prosperous. I agonized about this until this afternoon when the hon. member for Stormont-Dundas (Mr. Lumley) told me why.

It is not difficult; it is because of the policies of the Minister of Transport when he was Minister of Regional Economic Expansion. That is what happened.

It was because of all that wonderful industrial development which came about. I should like to tell the hon. member for Stormont-Dundas that the province of British Columbia in 1973 received one per cent of the amount of DREE money that went out from Ottawa. Out of an amount of $450 million we received $4 million. Between 1969 and 1973 the total amount received by British Columbia in DREE grants was $16 million while the federal government was spending $500 million a year. Many people talk about separatism in this country. I agree that there is a lack of understanding between one part of the country and the other, but it is a two-way street. When I hear a member from Ontario talk about that it seems to me that he has less understanding of my province than I have of his.

I also listened with great interest to the Minister of Justice (Mr. Lang) most energetically and eloquently defend the Minister of Transport tonight. In fact he was so eloquent and energetic that I suspect he is preaching for a call over there. I want to tell you, Mr. Speaker, that I would not be unhappy with that switch. Today the hon. member for York East (Mr. Collenette) suggested that we need time in which to develop these policies. He said we require time in which to look at it and to do something about it.

I wish to give this House a brief history. There was something called the Darling report, which is a pretty significant part of the minister's responsibility. This report came out in 1970. Back on May 26, 1971, in this House the then hon. member for Saint John-Lancaster asked the Minister of Transport of that date, the present Minister of Regional Economic Expansion (Mr. Jamieson), a question on this matter, to which the minister replied:

> I agree that it is a 'Darling' report. We will do our very best to implement as quickly as possible those parts of it which seem to have public favour.

Then again in respect of the same report on June 8, 1971, the minister gave this reply to a question:

> Just as soon as we have these views, government policy will be formulated along these lines. I would hesitate to give a time frame, but perhaps by the autumn of this year might be a reasonable expectation.

Those were the answers by the minister in respect of the Darling report at that time. That is the kind of action we received from the previous minister. I can understand his defending this Minister of Transport so vigorously because his record is not much to write home about. As we move through this time frame we come to the present minister.

In respect of the Darling report, in 1973 the present minister had some comment to make. I cannot find his comments in my papers but I know he said something in 1973 about bringing down government policy very shortly. The reason many of us are concerned about the Darling report and its implementation—and the minister has indicated his interest in seeing it implemented—is that we have lost control of our shipping for a very long time.

If that report were implemented 40,000 jobs would be created in this country, at a time of rising unemployment. There is no doubt this is one of the specific things that need not wait for an over-all study and could be undertaken quickly, but this has not been done. That is one of the criticisms by the opposition. It not only would create 40,000 jobs but would give some impact to the Law of the Sea Conference. We are now going into this conference and there is a fairly good chance that we will have a 200-mile limit. What will Canada do in terms of coastal shipping? We will still have foreign navigation bottoms off our coast carrying Canadian goods. The implementation of the recommendations contained in this report is long overdue. We now have a second Darling report in respect of deep sea shipping. Will it take as long a period to consider this report before we will have a Canadian merchant marine? I expect this will take even longer.

Another aspect of the minister's policy is that it is easier to buy a ship in this country if you do not buy it for Canadian purposes than it is if you are a Canadian user of that vessel, because under the Export Development Corporation the terms for the borrowing of money are much more advantageous. The Darling report pointed out that this is a major failure in terms of our policy.

I wish to refer briefly to another phase of transportation. I refer to the ferry system in this country. Under the present ferry system most of the ferries are subsidized in one way or another by the federal government. The Trans-Canada Highway begins where I come from, on the coast of British Columbia. The only gap is across the Straits of Georgia. Not a dime has been received from the federal government in the form of a subsidy in respect of that ferry system. There are construction subsidies but there is nothing in terms of a subsidy for operation or for the building of terminal facilities. I know the answer of the minister is that because it is not an interprovincial ferry it does not come under federal jurisdiction.

Mr. Guay (St. Boniface): You never asked us.

Mr. Leggatt: Yes, I have. The ferry running between Tobermory and South Baymouth is heavily subsidized by the government. A large amount of money is spent in this country in the subsidization of ferry systems, but not a dime is spent on the largest ferry service in the country.

We have more ships in the British Columbia ferry service than there are in the Canadian navy. We need a little help in order to have decent transportation, and we are not receiving this from the minister or from the department. Separatism works both ways. The mountains become very high when the people find that it costs $5 to go from Prince Edward Island to the mainland, and costs $10 to $15 to go from Vancouver to Victoria on the coast. There is no reason for that kind of discrimination in a country where we are trying to keep together, in a country in which we are trying to have one side appreciate the other.

● (2110)

In conclusion I should like to say a few words about small harbours. There has been a new impact in terms of harbours. People are now interested in ensuring that our rivers are clean, that we can fish in them, and that we can use them for recreational purposes. Yet the sole interest of the harbour commissions in this country—and that is certainly true of the one where I came from on the Fraser river—is in harbour development for commercial pur-

poses. It is high time we amended the legislation to allow either for elections or appointments to the boards.

I do not wish to take up any more time of the House, and I am sure that this will not make anyone unhappy. Let me just say that in terms of an over-all transportation policy it is no excuse for the minister to say that he has not had time, or that he knows that the problems are difficult but he will come to them because, Mr. Speaker, we have had an election on this issue, a very interesting election.

An hon. Member: And you did not do very well.

Mr. Leggatt: One of the reasons we did not do very well was the kind of promises that were made to the Canadian people by my friends in the government. They promised a policy, they promised some action and some leadership. In the speech from the throne in the twenty-ninth parliament they went so far as to promise an improvement in the total transportation system so basic to overcoming the problems of distance. In the twenty-ninth parliament, on February 27, the minister promised that steps would be taken to end discrimination in freight rates.

Then, on March 7, the minister said in the House that transportation is a problem so important to the future of the country that we should at least look into each others eyes and say what we really think about this matter. Finally the minister told us that he really thought on January 22, 1975, when he said that we have no over-all policy, that it is still in a mess and more a mess than we think.

What kind of a reaction can members of the opposition have to such a statement in the House? I appreciate the minister's frankness, but where is the leadership? That is what we are looking for, Mr. Speaker. It is all right to say that things are in a mess, but you must try to do something about that. That is what we are going to get in the next election, another promise.

An hon. Member: There will be 16 less NDP members after the next election.

Mr. Leggatt: Anybody who counts those chickens before they are hatched is usually in a good deal of trouble, and has an element of self-confidence which is entirely unjustified.

In any event, that is the record of the minister and of the government. At least we have an acknowledgement of the mess, but no acknowledgement whatsoever that anything will be done about it.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I would like to take a few minutes tonight to answer my colleague the hon. member for Saint-Hyacinthe (Mr. Wagner), just to make sure that facts are recorded in *Hansard*. As for the rest, I intend to talk about transportation problems, and not deliver a Sermon on the Mount.

There is one thing I never heard in the hon. member's speech, namely the word "transportation". I entirely agree with him on the principles put forward, but I wish to make sure that there is no misunderstanding; if you refer to *Hansard*, to what happened last Friday when I talked about racism, you will notice that I was mentioning an article published in the Ottawa *Journal* under the title "Only Marchand is amused", as if I was amused to see my colleague the Minister of Labour (Mr. Munro), and Mr. Kerr who resigned in Ontario, as if I found it funny. That is something extremely nasty. I believe every opposition member should agree with me that I did not do any such thing.

I did not. I talked about a journalist who was being racist, but I will come back to that later, I do not want it to be the topic of this speech.

Mr. Speaker, for the information of hon. members, and since that is what the speech of the hon. member for Saint-Hyacinthe was about, here is what I said, and I shall quote the English version to make things probably easier:

[*English*]

This is on page 3896 of *Hansard* of March 7. I said:

Mr. Speaker, to be fair I must say that I am not referring to my hon. colleague—

I was talking about the hon. member for South Shore (Mr. Crouse).

—behind me nor to the Leader of the Opposition (Mr. Stanfield).

Then, later on I went on to say:

Mr. Speaker, I believe the hon. member was justified—

I was referring to the hon. member for South Shore.

—in responding as forcefully as he did because he could have felt he was attacked. In that case, I apologize. I am not talking about hon. members but about this article written by a person named Fisher, who is often in the gallery. That does not concern you, therefore I simply say that people may discuss the transport policy, may attack me. I never feel—I have been attacked by some of my friends and I never held it against them—

I was looking at my friend, the hon. member for Vegreville (Mr. Mazankowski), at that time.

—on the contrary, I believe we remained good friends. We should all agree, every time racism is exploited, to proscribe it everywhere in Canada, because this country is worth living in. There is no racism where people do not tolerate it.

This is what I said. I accuse no one in the House, and I apologize if I was not well understood. I think that with regard to the speech made this afternoon by the hon. member for Saint-Hyacinthe (Mr. Wagner), if I had said what he said I said, I would agree with him, but I did not say it. This is in *Hansard*, and I think that as a former judge he should consider as a piece of evidence what I just produced here.

Some hon. Members: Hear, hear!

Mr. Stanfield: Would the minister accept a question relating to what he is reported to have said outside the House? What he said outside the House is something to this effect. The minister says look where the questions have been going during the last month. I have been putting a lot of those questions to the Minister of Transport (Mr. Marchand), and to the President of the Treasury Board (Mr. Chrétien). Why did the minister say that, if he did not mean to indicate that the Official Opposition was attacking ministers because they were French Speaking? Is that not what he intended to convey outside the House?

● (2120)

Mr. Marchand (Langelier): I think that the Leader of the Opposition (Mr. Stanfield) is honest. The only one I accuse of racism is the newspaperman who was in the gallery. He is the only one, and I was referring specifically to that man who told me personally that I should not be a member of this cabinet because I was not fluent enough in English.

An hon. Member: Oh, oh!

Mr. Marchand (Langelier): Oh, yes, and I know that, so you have no reason not to believe it. I think that I formally excluded all hon. members of this House, including the Leader of the Opposition (Mr. Stanfield). Perhaps I should not have approached it that way. You may say that it is a bad way of approaching such a problem, but I never accused the opposition of racism in this debate on transportation, and I do not believe it exists. I think that hon. members have tried to deal with the transportation problem because they are concerned about it. I do not accuse anyone. I am accused of not apologizing, but I did apologize to the hon. member for South Shore (Mr. Crouse) if he thought that I was accusing him of being a racist.

Mr. Stanfield: Mr. Speaker, this is an important question. It is important to the minister, and it is important to me. I asked the minister whether in fact he said outside the House what he was reported to have said in relation to the questions being put. Did he say, in effect, look where the questions have been going in the last month? Did he ask who has been under attack? Did he say it was the Minister of Transport, the President of the Treasury Board, and Mr. Pratte?

Mr. Marchand (Langelier): I was speaking of exactly the same person.

Mr. Stanfield: I apologize because this is a little irregular, but it is very important, Mr. Speaker. Did the minister say outside the House what I have just summarized? If he made these remarks relating to the question period and to the questions which are put, how can he expect us to put any other interpretation but that he has suggested outside the House that we have been deliberately attacking ministers in the House because they are French speaking?

Mr. Marchand (Langelier): I think that the hon. Leader of the Opposition is an honourable man. He will take my word that I never referred to the House. On the contrary, the only place where it is clear is here, and it is in *Hansard*. When I was talking outside the House—and some day I will say it openly—I excluded the House and I excluded the whole opposition, and I say that the debate did not take place on racism. I regret, but I do not think hon. members have the right to make an accusation of that kind. I do not believe that the hon. member is a racist.

I wish to talk about transportation, and I do not feel that I was dealt with justly on this matter. I wanted the situation to be clear, and I tried to clarify it.

I have been accused of having recourse to my friend the Minister of Regional Economic Expansion (Mr. Jamieson), the former minister of transport, to help me out this afternoon. I did it first because he is intelligent. He knows something about transport, and as I had already spoken on Friday, I thought perhaps there would be a better balance this way. I know that I have shortcomings, but I do not think that fear is one of them.

I do not think it will be a big problem for me to talk for another ten minutes. I can do this if you want to sit and listen. This is not the problem. The problem is a problem of transportation. We promised during the election that we would transform the system; we were not satisfied with the system, we are not yet satisfied with the system. But the main opposition complaint—and during the debate I understood that I should have been more careful about this—is that I have not kept the House sufficiently well informed about the kind of work that is being done in my ministry. This is something that the opposition could not have found out by themselves without being told. I will think about that to see to what extent it is feasible to remedy this.

I think it would be interesting for hon. members to know of all those who are at work right now on very specific problems, trying to find solutions so that we can have a national transportation policy. Let us call it transportation policies for Canada because there is no doubt that the policy for the Maritimes is not the policy for the Arctic, it is not the policy for Quebec, it is not the policy for Ontario nor for the west, and it is not the policy for British Columbia. This means that we have to find solutions to each of those problems, and I am working on them.

Hon. members say that it takes a long time, and they are right, but just look at the history of this department—not only this department, but almost everything we have ever done here in the House. Just think how long it took—and I remember my hon. friend from St. John's East (Mr. McGrath) asking when we would produce the act—to create the Department of Regional Economic Expansion. I think that is the role of the opposition and I do not complain, but the MacPherson report took seven years before being tabled in the House, and we waited about ten years, or not far from ten years for Mr. Justice Bernier in Quebec to complete a report on pilotage.

If there has been a mistake I think this is where it is; perhaps I could have kept the House better informed, not of results but of what we have been doing. When it is said that nothing has been done, I do not believe it, and the opposition does not believe it. That is probably the right way to attack the government, and I would probably do the same thing.

We have done a lot of things in the field of transport in British Columbia. My hon. friend opposite suggested that we look at regional development because he considered that too much was being given to eastern Canada and not enough to the west. Do not forget that British Columbia has had things the maritimes did not get. Just remember Roberts Bank; just remember the money we spent on the harbour in Vancouver, and the development of the harbour in the north, Prince Rupert, the opening of roads, and so forth. If we are going to have a balance sheet in this country in order to know which section of this country is getting most from the federal government, if we are going to try to do that we will kill this country because everyone profits in this country, but not all in the same way.

● (2130)

Of course in the maritimes they have the subsidy of 50 per cent for all westbound goods.

Mr. Stanfield: Not all.

Mr. Marchand (Langelier): Not all, excuse me, but on a large number of goods, by truck or by train. We still have the intra-subsidy, which of course is being phased out. The Port of Halifax is being developed faster than ever before. The average income in Halifax is now higher than in Montreal, and that is true also of Saint John, New Brunswick.

Certain things have changed, but I do not claim that we have changed everything. We have the problem of the ferries in the maritimes. We have been working with the government of Newfoundland and we are going to have two new ships, and a new ship for Wood Island and Prince Edward Island. We have brought back the boat that goes between Digby and Saint John because the CP refused to operate it effectively. We are solving the problem of the ferry between Yarmouth and Bar Harbor in the United States. We have done a lot of things for that region, Mr. Speaker.

We have worked with provincial ministers and officials and have accomplished a great deal. We are working on highways, amongst other things. In Quebec the Mirabelle airport will be open in a few months time. Of course some people do not like airports, but there is nothing I can do about that.

I was listening to the speech of the hon. member for Brandon-Souris (Mr. Dinsdale) and I should like to tell him that one month from now Air Canada, at the request of the government of Saskatchewan, is going to produce a plan for a regional air carrier. He did not know that, but I know it.

Mr. Dinsdale: Mr. Speaker, would the hon. minister permit a question in that regard?

Mr. Marchand (Langelier): I am talking about Saskatchewan, but it will join Brandon too. That is just to tell you that we have been working with the prairie provinces on the question of our national airlines and air carriers.

Mr. Epp: Who will be the carrier?

Mr. Marchand (Langelier): Mr. Speaker, I do not know. In many fields the CTC has more power than I do and in this case they make the decision. So we are working—

Mr. Dinsdale: Mr. Speaker, would the minister permit a question?

Some hon. Members: No!

An hon Member: Sit down!

Mr. Marchand (Langelier): In my own office we are working hard on this policy. There is a special core group studying all the problems of transportation. The deputy minister has an advisory committee, there is a task force, an interdepartmental participation committee, federal-provincial consultations and consultations with industry, trucking, railways and airlines. We are trying to put all that together to formulate a policy in order to serve Canadians.

[Mr. Marchand (Langelier).]

[*Translation*]

Mr. Speaker, a general statement is made that nothing is done in the area of transportation. When I said transportation was a mess I meant that coordination was not there. It is still not there for that matter, and that was the work I had to continue when Mr. Jamieson was Minister of Transport.

The CTC is a kind of Crown corporation with enormous independence. The St. Lawrence Seaway Authority is a corporation almost equally independent. Air Canada has even the authority to buy houses in Barbados from what I can see, and without my authorization. The CNR is an extremely independent company, and the same goes for the Northern Transportation Corporation. Then you have three great authorities within the department—for air, for land and for sea. I heard a Progressive Conservative member say this afternoon that all that is very funny but I know there are people who put their hearts and souls into trying to find the best system possible for Canada, the one which will make this country even more prosperous. For example, we have the whole far north to develop, we are making plans to build a cargo that will also be an ice-breaker and will be able to help develop the whole far north of Canada.

[*English*]

The Acting Speaker (Mr. Penner): Order, please. I regret to interrupt the hon. minister but the time allotted to him has expired.

Some hon. Members: Continue.

Some hon. Members: No.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the brief time I have I should like to devote my remarks to Air Canada operations, but first I should like to correct some comments made by the hon. member for St. Boniface (Mr. Guay) on Friday, March 7. At page 3906 of *Hansard*, he said:

> The safety record of Air Canada is similar to the safety record of the CNR, . . . members of the Conservative Party . . .

He was referring to me.

> seem to get some kind of sadistic satisfaction from continually accusing the airline in respect of its safety performance.

The hon. member for St. Boniface seems to be mixed up. Last February during an adjournment debate he remarked that I was to be lauded for my concern about passenger safety. He changed his mind over that, fast. Then he went on to say that he was amazed at people like me continuing to paint the worst possible picture of our country's flag carrier. He said I had never taken the trouble to accept an invitation to inspect Air Canada's servicing facilities. We have been over all this before, Mr. Speaker, even on April 23, 1974. I have spoken numerous times in the House on the subject and I have travelled to Dorval and reviewed the situation of employees there, many of whom I am in constant touch with, and I do not know why we are bringing this up again, Mr. Speaker.

These remarks in regard to safety are not mine; they come from unions, from employees, from newspaper articles. When I spoke in the adjournment debate last week I referred to articles like the one in the Montreal *Gazette*, a headline story on air safety. These articles do not refer only to Air Canada but to all regional airlines. This is the type of document the hon. member and the hon. minister should be reading.

I have here a document sent to the director of maintenance quality signed by eight shop inspectors at Dorval. They state:

● (2140)

Attached to this letter, please find a submission related to the unit and Support Shops Inspections Functions. It is a critical report presented in the interest of achieving a more effective inspection program and hopefully to create an awareness of an existing low morale condition.

There follow four pages of a condemning attack on Air Canada dealing with all kinds of problems with audits, manuals and what-have-you.

I also have a union document which states that the supervisor's only concern is in trying to run a scheduled operation at all costs. The results of this attitude causes one of their larger problems and one of the most frequent violations of the collective agreement, namely, safety. The collective agreement is quite clear in that management is specifically charged with the duty of initiating and monitoring all practices necessary to ensure the safety and health of employees, as well as ensuring the safety of all equipment. They go to say that because of the attitude of first level supervision and refusal to initiate safety the shop committee is handling the problem.

These are not my comments, Mr. Speaker. These are the comments in a union publication put out at Dorval Airport. This is why we are calling for a full scale investigation into Air Canada. Instead of giving us a series of alibis and excuses as to why the government should not do anything, the minister should go to Dorval and speak to these people.

Let me give another example. Members of parliament are continually receiving telegrams about the air finance branch in Winnipeg.

Mr. Guay (St. Boniface): A point of order, Mr. Speaker.

Some hon. Members: Sit down.

Mr. McKenzie: In the twenty-ninth parliament we had the same problems with the Air Canada finance branch in Winnipeg. We are now in the thirtieth parliament and we are still asking the same questions.

The Acting Speaker (Mr. Penner): Order, please. Is the parliamentary secretary rising on a point of order?

Mr. Guay (St. Boniface): Yes, Mr. Speaker. I am addressing my question through you. Why is it that the hon. member for Winnipeg South Centre (Mr. McKenzie) did not visit Air Canada when asked to do so?

The Acting Speaker (Mr. Penner): Order, please. The parliamentary secretary knows that is not a point of order.

Mr. McKenzie: As I was saying, Mr. Speaker, in the twenty-ninth parliament we were discussing the Air Canada finance branch at Winnipeg. We are now in the thirtieth parliament and still discussing them, and we are still not getting any action. I have received dozens of telegrams and letters, and this is the reason we are asking for a full scale investigation into the Air Canada operation.

Let me discuss safety. I have a report from an Air Canada pilot which he sent to the vice-president of flight operations:

This letter is a letter that I have been trying not to write. However my conscience or possibly sub-conscience will not permit me to do otherwise. I might add that I ran into Capt. Lloyd and was given a little gentle persuasion. You will notice that I have gone beyond the incidents and vented by feelings and opinions of Air Canada today . . .

Mr. Stanfield: Mr. Speaker, I rise on a point of order. I realize you have to put the vote on this matter now, but I simply wish to give notice that at the first opportunity tomorrow I intend to raise a question of privilege with regard to the remarks of the Minister of Transport (Mr. Marchand) outside the House.

The Acting Speaker (Mr. Penner): Order, please. It being 9.45 o'clock p.m., it is my duty pursuant to Section (9) of Standing Order 58 to interrupt the proceedings and put forthwith every question necessary to dispose of the motion now before the House. The question, therefore, is on the motion in the name of Mr. Mazankowski. All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Penner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Penner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Penner): Call in the members.

The House divided on the motion (Mr. Mazankowski), which was negatived on the following divisions:

(*Division No. 20*)

YEAS

Messrs.

Alexander	Crouse	Hamilton (Swift Current-Maple Creek)
Alkenbrack	Darling	Hnatyshyn
Allard	Dick	Howie
Baker (Grenville-Carleton)	Dinsdale	Huntington
Baldwin	Douglas (Nanaimo-Cowichan-The Islands)	Jarvis
Balfour	Ellis	Johnston
Beatty	Elzinga	Jones
Brewin	Epp	Kempling
Brisco	Fairweather	Knowles (Winnipeg North Centre)
Broadbent	Fraser	Knowles (Norfolk-Haldimand)
Cadieu	Friesen	Korchinski
Caouette (Villeneuve)	Gauthier (Roberval)	Lambert (Edmonton West)
Carter	Gillies	La Salle
Clark (Rocky Mountain)	Halliday	Leggatt
Clarke (Vancouver Quadra)	Hamilton (Qu'Appelle-Moose Mountain)	
Cossitt		

Messrs.

MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacLean
Malone
Marshall
Masniuk
Mazankowski
McCain
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nowlan
Nystrom
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Rynard
Saltsman
Schellenberger
Smith (Churchill)
Stanfield
Stevens
Symes
Towers
Wagner
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—86

NAYS

Messrs.

Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Basford
Blaker
Blouin
Boulanger
Breau
Buchanan
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corbin
Côté
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Douglas (Bruce)
Drury
Dubé
Dupont
Dupras
Duquet
Ethier

Messrs.

Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacGuigan
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McIsaac
McRae
Milne
Morin (Mrs.)
Nicholson (Miss)
O'Connell
Olivier
Ouellet
Parent
Pearsall
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Richardson
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sharp
Stanbury
Stewart (Cochrane)
Tessier
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whelan
Yanakis
Young—113

● (2210)

Mr. Speaker: I declare the motion lost.

It being after ten o'clock this House stands adjourned until 2 p.m. tomorrow afternoon.

At 10.14 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, March 11, 1975

The House met at 2 p.m.

PRIVILEGE

MR. STANFIELD—REMARKS OF MINISTER OF TRANSPORT IN YESTERDAY'S DEBATE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question of privilege arises from the remarks made last evening by the Minister of Transport (Mr. Marchand). He referred to his comments on the subject of racism inside and outside the House last Friday.

[*Translation*]

I raise this issue with deep sorrow. I do not wish to belabour the point and would much rather put it to rest.

[*English*]

Last evening in the House the Minister of Transport stated, and he repeated it, that he had not charged any member of the House with racism. He kept emphasizing it and returning to what he had said in the House on Friday. Last evening, referring to what he had said outside the House on Friday, in response to questions from me the Minister of Transport said the following, and I quote from page 3963 of *Hansard:*

> I think that the hon. Leader of the Opposition is an honourable man. He will take my word that I never referred to the House. On the contrary, the only place where it is clear is here, and it is in *Hansard.* When I was talking outside the House—and some day I will say it openly—I excluded the House and I excluded the whole opposition, and I say that the debate did not take place on racism.

● (1410)

I have listened to the tape of what the minister said outside the House on Friday, and I quote him again in my admirable French:

[*Translation*]

The minister was speaking.

> It means that I was here in 1965. So I have witnessed the Lamontagne affair, the Favreau affair, the Tremblay affair, and wherever there were French Canadians, they tried to attack them. And whom are they attacking now in the House? The Minister of Transport, Chrétien, Yves Pratte. Right? Well, all I have done is indicate to them that we are aware of it. Because if you look up the oral question period for the past month, you will see that this is what is going on.

[*English*]

Mr. Speaker, I have to say that the minister was clearly referring to the House and to the question period. He said last evening that he was only referring to Mr. Fisher and an editorial in the Ottawa *Journal,* but they do not ask questions in the House of Commons. I call the attention of the Chair once again to the use of the words "en chambre". These remarks could only be interpreted by the viewers on television, the listeners on radio, especially French-speaking listeners and viewers, as meaning that in the opinion of the minister the opposition was trying to injure or destroy ministers because they are Francophone.

Some hon. Members: Shame.

Mr. Stanfield: The charge is absurd: we have paid a fair amount of attention to the Acting Prime Minister (Mr. Sharp), to the Minister of Finance (Mr. Turner), to the Minister of Labour (Mr. Munro), to the Solicitor General (Mr. Allmand) and to the Minister of Agriculture (Mr. Whelan).

An hon. Member: Even Jim Richardson.

Mr. Stanfield: But I say that it is not acceptable for the minister to make that kind of statement outside the House and to pretend inside the House that his remarks outside the House about the question period were not made and did not relate to members of the opposition.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister is in this position, I submit: in the House he has not charged any member of the opposition with racism, but outside the House that is the only interpretation one can draw from his remarks. The listeners and viewers who heard him and believed him must believe now that Francophone ministers are under attack because they are Francophone. That amounts to a charge of racism and I think the minister will agree with me, otherwise he would not have gone to such lengths to ask me to believe, last evening, that he had never made any reference to the House when he spoke outside the House on Friday. I cannot accept, and I suggest that the House cannot accept, a minister taking one attitude in the House and another attitude outside on a question such as this.

One can never catch up with this kind of statement having been made to the public: that harm is done. But I believe the minister is an honourable man. When he said last evening that on Friday he had not referred to what was going on in the House, and when he said last evening that on Friday he had excluded the House specifically, he misled the House; but I do not say, and I do not believe, that he did it deliberately. I assume that he forgot precisely what he had said on Friday and that perhaps in his enthusiasm at that moment he got carried away outside the House on Friday.

But I do say that it is a breach of the privileges of the House for the minister to go outside the House and suggest to the public that members of the opposition are trying to injure Francophone ministers in the House during the question period, simply because those ministers are Francophone, and then to come back into the House and say that outside the House he never said any such thing. I repeat, I believe the minister is an honourable man, and I ask him to withdraw the inference in the charges that he made against members of all opposition parties last Friday

outside the House and which, last evening, he denied having made.

Mr. Speaker, I think the minister has committed a breach of privilege but my main concern is to have an end to this whole unhappy episode.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I presume you are accepting the question of privilege as presented. I shall therefore limit myself to a few brief comments. I believe the way in which the hon. Leader of the Opposition (Mr. Stanfield) has explained the facts is honest and I have no quarrel with it.

Mr. Speaker, when I rose on a point of order yesterday, I made it very clear that I did not feel that anyone had racist tendencies in this House, or tried to attack Francophones strictly because they are Francophones. That part, I believe, was made clear to the House yesterday. I believe the only point the Leader of the Opposition has made is that outside the House I inferred there were racist goings-on in the House. If that is the case, then I understand that he should link the two together and I am willing to withdraw my words without any restrictions. I am convinced that no one has attacked me in my duties as Minister of Transport because I am a Francophone, nor any of my colleagues, and the use of the word "House" had another meaning for me at that time. In any event, I am in the wrong and not my colleagues opposite. I have always understood that there are not just hon. members in the House. Be that as it may, I withdraw what I said and recognize that the Leader of the Opposition is right in his interpretation.

[*English*]

Mr. Speaker: In the circumstances, I am sure it is not necessary to prolong the matter by adding, although I should perhaps do so for the record, that the nature of the question of privilege raised by the hon. Leader of the Opposition (Mr. Stanfield) was most interesting and important. As the House knows, it was not followed by a motion asking for action of the Chair. In any case, it seems to me that its intention or declaration was equally well met, and that would seem to have disposed of the matter finally and very forcibly.

ROUTINE PROCEEDINGS

[*Translation*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

First report of Standing Committee on Broadcasting, Films and Assistance to the Arts, in both official languages—Mr. Guilbault.

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

[Mr. Stanfield.]

• (1420)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—REQUEST FOR REPORT ON EFFORTS TO SEEK A CONSENSUS OF VARIOUS GROUPS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question to direct to the Minister of Finance. As he is not here, I will wait until he enters the chamber.

Mr. Sharp: On a point of order, Mr. Speaker, I think I ought to inform the Leader of the Opposition that the Minister of Finance is engaged with the Secretary of the Treasury of the United States at lunchtime and perhaps will not be here in time for his questions.

Mr. Stanfield: Mr. Speaker, since the matter I am about to raise comes under the jurisdiction of the Prime Minister, perhaps I might direct my question to the Acting Prime Minister. As the Minister of Finance has recognized that strikes provoke more unemployment and as he has admitted that without some kind of national consensus on inflation and income restraints this country will face prolonged and bitter industrial strife, can the Acting Prime Minister assure the House that before Easter he, the Prime Minister or the Minister of Finance will present to the House a full report on the consensus talks and a clear outline of what the government wants to achieve. Will he do that before the Easter recess?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I cannot give an undertaking that we will report before Easter. These conversations have involved various ministers and members of the community at large, employers, trade unions, consumer groups, and so on. I know these talks are reaching the point where it will be desirable to enter upon the second stage. It would be the desire of the government to proceed with the second stage after making a public announcement, but I am not absolutely certain whether it will be possible to do this before the Easter break.

Mr. Stanfield: A supplementary question, Mr. Speaker. Now that the first stage is nearing termination, perhaps the Acting Prime Minister could take the House into his confidence just a wee bit and tell us what this stage is, the first stage that has just about terminated.

Mr. Sharp: Mr. Speaker, it has been a very useful first stage. I have not had the privilege of being able to participate in these discussions because of my added responsibilities at the moment as Acting Prime Minister. But I have talked with my colleagues, who have said they received offers of co-operation from all groups in the community. That, I think, is the first stage.

Mr. Stanfield: A final supplementary question, Mr. Speaker. I know that the House leader has been very busy as Acting Prime Minister. I assume, since this question comes under the general jurisdiction of the Prime Minister, that there have been discussions in the government on

the precise purpose of this first stage. Can the Acting Prime Minister not tell the House what this first stage is all about? Does it involve more than simple assurance of co-operation? Can he tell the House briefly and succinctly what it is, in this first stage, on which the government has been asking for co-operation?

Mr. Sharp: Mr. Speaker, the Minister of Finance and other colleagues of mine have explained this to the Leader of the Opposition on many occasions. He seems to be expecting something that is not there.

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, the Leader of the Opposition seems to have forgotten that his particular approach was rejected by the population. We are pursuing a procedure which we believe will bring better results and be more acceptable. I hope the Leader of the Opposition will have a sufficiently open and flexible mind to understand a different approach.

* * *

LABOUR CONDITIONS

STRIKE AT PORT OF VANCOUVER—REQUEST FOR REPORT FROM MEDIATOR ON POSSIBILITY OF EARLY SETTLEMENT

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a specific question for the Acting Prime Minister. Has the government been advised by the mediator mediating the Longshoremen's strike if a negotiated settlement which will permit the movement of grain and other commodities will be arrived at within approximately, the next 48 hours.

Hon. André Ouellet (Acting Minister of Labour): Mr. Speaker, if I may reply, I should like to report to the hon. member that Mr. Kelly, the Assistant Deputy Minister, is now in Vancouver. He has met both parties and is carrying on further discussions. He is actively mediating at the moment.

Mr. Murta: I wish to ask the Acting Minister of Labour if he could get in touch with Mr. Kelly this afternoon, review the situation and report back no later than today as to whether there will be a settlement within the next two days. I say the next 48 hours because of the urgency of the situation at Vancouver. Will the acting minister get in touch with him today and inform the House as to specifically what the government is going to do, making a statement some time this afternoon or this evening?

[*Translation*]

Mr. Ouellet: Mr. Speaker, the way the hon. member describes the situation, it becomes almost clearly impossible for a mediator to do his job. I should ask the hon. member to let the mediator do his job. I am convinced Mr. Kelly is as keen as all other Canadians on reaching a settlement as soon as possible.

[*English*]

Mr. Murta: Mr. Speaker, the acting minister's reply raises another question. I now ask the Acting Minister of Labour in all seriousness how long he feels the mediator will need before a report can be made to the House? Surely to God the minister can answer that.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—SUGGESTED NEED FOR NEW BUDGET IN VIEW OF INCREASE—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Acting Prime Minister. According to figures released today, compared with a year ago last month, unemployment in Canada increased from 6.8 per cent in February 1974 to 8.6 per cent in February 1975. In real terms, that represents a growth in unemployment from 635,000 to 839,000. Does the government intend to recognize the seriousness of this unemployment situation by bringing in a new budget soon with the prime purpose of generating employment in this country?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government, of course, keeps the situation under constant review. There has been no decision to have a new budget nor any decision not to have one.

Some hon. Members: Oh, oh!

Mr. Sharp: As the Minister of Finance has said on several occasions, at the moment the effects of the budget that was approved a few months ago are still working through the system. Until the results are clear, it would be unwise to make a definite decision as to a new budget.

Mr. Broadbent: It is working through the system like a dose of salts.

Some hon. Members: Oh, oh!

* * *

HOUSING

INQUIRY AS TO NEW PROGRAMS TO INCREASE NUMBER OF STARTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct my supplementary question to the Minister of State for Urban Affairs. As housing starts last month were down some 44 per cent from the rate for the same month last year, running at an annual rate for this year of only 156,000 units, which is substantially below the minimum target of 210,000 set by the minister, does the minister have any new program in mind to provide the needed housing in Canada soon and also to provide jobs for the lumber industry which is so badly affected at this time?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I share the hon. member's concern about the low rate of starts. It is difficult to compare with last year which was a record year. This year certainly is not. One of the difficulties has been a slackening of demand. There is some existing housing stock which is being sold. We have programs that are functioning. We have other programs that will function if hon. members

will co-operate in getting them through committee and through the House so that we can get to work.

● (1430)

Mr. Broadbent: Since in 1970 when we were confronted with a similar situation in terms of unemployment the minister's department directly financed some 42 per cent of the total housing starts, a marked increase over previous years, and since his present budget proposes to finance only 21 per cent of the starts for next year, I would ask the minister whether he has any plans to inject substantial amounts of increased capital into the housing market so as to take direct responsibility instead of relying on a system of incentives to get new housing under way?

Mr. Danson: If the hon. member really appreciated the scope of the existing program he would know that it was designed to bring a further $1 billion into the housing market without using public funds, and he would help in speeding up the process in getting the necessary legislation through.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

HEALTH

INQUIRY AS TO ARRANGEMENTS FOR COMPENSATION TO THALIDOMIDE VICTIMS

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

Following a question asked in 1973 about the victims of thalidomide, the minister had suggested that he had already had talks with Canadian manufacturers of that drug, and that he hoped to be able to give details on the nature of the agreement in the near future. In view of the time elapsed since then, is the minister now in a position to tell the House, for the guidance of the victims of the drug, whether they can still hope for fair compensation?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am very surprised at the hon. member's question, since I have already answered similar ones in the House in 1973, and I answered a question from the hon. member for Joliette a few weeks ago. An arrangement was made which is still available to the parents of thalidomide victims. These measures were announced through a press release in 1973. They are still available to these parents. So I am very surprised to see that the hon. member does not seem to be aware of the arrangements that were made then and that are still in force.

Mr. Allard: Mr. Speaker, I want to ask a supplementary question.

How is it that some of the victims of that drug are still not able to get answers or a satisfactory settlement from the companies concerned?

Mr. Lalonde: First of all, if there are specific cases to which the hon. member is referring, I shall be happy to be informed of them and to discuss them with him. But the cases which were on the headlines of newspapers are those of parents who preferred to go to court in the United States rather than making a private arrangement. Of course, nobody can force someone to make an amicable arrangement if he prefers to go to court and that is what happened in this particular case.

* * *

[*English*]

HARBOURS

HAMILTON HARBOUR COMMISSION—DATE WHEN FIRST REQUEST MADE FOR INVESTIGATION OF ALLEGED IRREGULARITIES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister for Regional Economic Expansion. I should like to ask him whether he was aware in the summer or fall of 1972, when he was Minister of Transport, that there were allegations of illegal conduct involving the activities of the Hamilton Harbour Commission and, specifically, whether he received a letter from Hamilton City Councillor Herman Turkstra dated September, 1972, requesting that there be an inquiry into the activities of the Commission?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I am quite prepared to answer the question but in the interests of correct parliamentary procedure I should like some guidance from the Chair.

An hon. Member: Oh!

An hon. Member: Answer the question!

Mr. Jamieson: With respect, Mr. Speaker, I should like to know whether a minister can be asked about matters which are not within his responsibilities. I repeat, I am quite prepared to answer the question.

Mr. Speaker: The hon. member has put a question which is related to the minister's responsibilities as they were at the time the question was effective. The minister raises a valid point of order. I submit that responsibility for the Ministry or Transport now rests with another minister. Questions relating to ministerial responsibility ought to be directed to the minister who currently holds the portfolio. It might well be that a minister who was several years ago responsible for matters which were the subject of questioning would not, subsequently, be a minister and for that reason not be among those to whom questions in the House can be addressed.

Mr. Nowlan: On the sort of point of order raised by the minister, Mr. Speaker, in view of the very last statement made by Your Honour about the difficulty, I would say that if ministers are not responsible for the same ministry, they are still administering this government, this land, so obviously one should be able to raise questions. There has been an issue raised in this House for the last couple of weeks involving activities which come under the present Minister of Transport or the Department of the Solicitor General and one of the issues is just when did knowledge of some of these details come to this administration or the previous administration. While certainly I could not ask

questions of ministers no longer in the House in any capacity, if there is a minister here I do not understand why a question as framed asking what was within the knowledge of the minister while he was minister is out of order.

Mr. Speaker: The House ought not to get itself into a dialogue over this point of order. The fact is that the rules surrounding the question period give members the privilege or the right, whatever they may wish to call it, of directing questions to ministers in the House pertaining to their responsibilities at the moment. Questions directed at any minister have to touch at least on his responsibility at the time the question is being asked and not at the time of some occasion in the past.

Mr. Nowlan: I shall not prolong the question period at this point, Mr. Speaker, but I want to make it crystal clear, in view of the ruling, that certainly from the nature of this country and the question of privilege raised by my leader earlier today we may not now direct to the former Minister of Transport questions involving a question which now affects the present Minister of Transport. I should like to ask the present Minister of Transport, and make it perfectly clear that I am asking him questions as Minister of Transport and not as any pretended cultural czar—

Some hon. Members: Cheap!

Mr. Nowlan: —did he have any conversations with his predecessor in that department in September or after the administrative responsibility changed involving problems in the Hamilton Harbour Commission?

Hon. Jean Marchand (Minister of Transport): I think I am perfectly authorized in the circumstances to say I will check the file and see exactly when the first complaint was made.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—LEVEL AT WHICH GOVERNMENT WOULD INTRODUCE NEW POLICIES TO STIMULATE ECONOMY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Acting Prime Minister. The hon. gentleman having said very clearly today that high and rising unemployment as reported by Statistics Canada is not sufficiently high to cause the government to bring in new policies to stimulate the economy to a satisfactory degree, I would ask him what is the level of unemployment the government has decided must be reached before new and innovative policies are brought in to stimulate the economy?

Hon. Mitchell Sharp (Acting Prime Minister): The considerations which would lead the government to bring down a budget are many and extremely complex. The hon. member and his party have been criticizing the government for following policies designed to stimulate the economy; they have been critical of spending; they have been critical of taxation policies of this kind and I suggest they should make up their minds what line they want us to follow.

Mr. Hees: As the opposition has put forward many suggestions for getting the economy moving, such as a comprehensive income tax cut as has been introduced in the United States, I would ask the Acting Prime Minister how long the government is prepared to remain on square one without making any attempt to move off it.

SUGGESTED POSTPONEMENT OF TRIP OF MINISTER OF FINANCE IN VIEW OF ECONOMIC SITUATION

Mr. Sinclair Stevens (York-Simcoe): Perhaps I may put a question to the Acting Prime Minister, Mr. Speaker. With 839,000 people out of work, thousands on strike and real growth predicted this year at one per cent, and inflation continuing to rise,—

Some hon. Members: Question!

Mr. Stevens: —has consideration been given to postponing the Minister of Finance's trip to the middle east where many of the countries he is to visit appear to have fewer economic problems than this country?

● (1440)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am sure the House would expect the Minister of Finance to carry out his international responsibilities in one of the most important tasks that has ever been assigned to a Canadian.

SUGGESTED INCREASED CABINET SUPPORT FOR PROPOSALS OF MINISTER OF FINANCE

Mr. Sinclair Stevens (York-Simcoe): A supplementary question for the Acting Prime Minister, Mr. Speaker. Being concerned with domestic issues, and taking note of the Minister of Finance's rather unsettling statements this morning to the effect that budgetary policies are dictated in cabinet more by political expediency than economic realities, has the Prime Minister given any assurance to the Minister of Finance that he will get more support in cabinet for his economic proposals in future than he has been receiving in the past, bearing in mind that this morning the Minister of Finance complained that he is constantly outvoted in cabinet when he proposes economic measures?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would doubt very much that the Minister of Finance ever made any such statements. In fact, he has just told me that he denies having made them. Moreover, the Minister of Finance has the confidence of his colleagues and we have confidence in him.

Oral Questions

IMMIGRATION

POSSIBILITY MR. BAINS OF BRITISH COLUMBIA SHOULD BE DEPORTED—GOVERNMENT POSITION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the seditious statements made by one Hardian Bains, can the minister inform the House whether his department is conducting an investigation into whether or not this man should be dealt with under section five of the Immigration Act?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I noted the hon. member's comments yesterday.

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MANPOWER

OPPORTUNITIES FOR YOUTH—REASON FOR REDUCTION IN FUNDS IN VIEW OF HIGH UNEMPLOYMENT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Acting Prime Minister and it is really supplementary to the questions asked by the hon. member for York-Simcoe. It arises from the jump in unemployment among Canadians under the age of 25, which is even greater than that of people over 25. May I ask the Acting Prime Minister what special programs the government has drawn up to cope with the high rate of unemployment among young people that can be expected this summer, and specifically, is the government intending to reconsider its decision to cut back somewhat dramatically the funds allocated to the 1975 Opportunities for Youth Program?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government has been defending the Opportunities for Youth Program and LIP very vigorously in face of the opposition. We intend to continue them and will be allocating funds for these programs and other programs within the control of the Canadian government. I hope we will have the support of the opposition and not their continued criticism.

Mr. Beatty: A supplementary question, Mr. Speaker. In light of the fact that apparently the minister will not answer a straight question may I direct my supplementary to the Minister of Manpower and Immigration. I ask the minister specifically, in light of the fact that it can be anticipated in Canada that the unemployment rate among young people will be higher this summer than last summer, for what reasons is the government cutting the funds allocated to the Opportunities for Youth Program in 1975?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the total amount allocated to the student summer employment program for 1975 is precisely the same as it was for 1974.

[Mr. Sharp.]

[*Translation*]

AGRICULTURE

ALLEGED INCREASE IN IMPORTATION OF CHICKENS FROM UNITED STATES—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of Agriculture.

Considering that since the beginning of the year the broiler chicken producers of Quebec have been complaining about the import of American chicken, that the Sain-Lin Maxi Poultry Company is said to have imported 1.3 million pounds of American chicken and that Quebec producers have decided to reduce their quota to 70 per cent, does the minister intend to recommend some limitation on these imports to help Quebec broiler chicken producers?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if I were to make any recommendations to my colleagues that we use the import act, for instance, then it would be for the poultry producers of all Canada. They know how they can prove to us that they have supply management. We cannot act in respect of one province's productivity; plans have to be national in scope.

[*Translation*]

Mr. La Salle: Mr. Speaker, may I ask a supplementary question.

I mentioned Quebec producers to give a concrete example, but I believe chicken imports may be also prejudicial to other provinces. Could the minister tell the House if he intends to let the farmers settle this whole problem themselves or whether he is considering efficient measures to be taken as soon as possible to help broiler producers?

[*English*]

Mr. Whelan: Mr. Speaker, we have offered to help the poultry producers of Canada. They fully know, as I am sure the hon. member knows, that hearings have been held regarding the broiler producers marketing board. They have not pushed at all to go ahead with this at the present time, and until they have some properly controlled and planned production and supply management programs, there is nothing very much we can do. Poultry producers in other provinces are also affected by this, not only those in Quebec.

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ENERGY

NATURAL GAS—REQUEST FOR ESTIMATE OF RESERVES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct my question to the Minister of Energy, Mines and Resources. It arises out of statements which he made in recent days in St. Paul-Minneapolis and Estevan, Saskatchewan, to the effect that we are likely to face a natural gas shortage in the 1970's. In view of the fact that the National Energy Board report of March, 1974 stated that our marketable gas reserves had risen to 64.2 trillion cubic feet, which on the basis of our committed exports and domestic consumption represents a life index

of 20-25 years, may I ask the minister this very simple question: What is the minister's present estimate of Canada's marketable reserves, and what life index does this represent?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I made no such statement that there was a shortfall. What I indicated was that there had been concern about it, and for that reason the National Energy Board has been conducting a hearing into supply and demand for Canadian natural gas. As the hon. gentleman may know, the board has now completed the hearing and is preparing its report. It seems to me that the most useful thing for all of us is to wait until the report is ready, which will be within a matter of some months, so we will be able to have a definitive report on the matter.

NATURAL GAS—POSSIBILITY STATEMENTS CONCERNING SHORTAGE MADE TO INFLUENCE OPINION ON MACKENZIE VALLEY PIPELINE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. If I may quote from the minister's own press release, at page 9 the following is stated:

From the evidence presented, it is clear that a shortage of gas is likely to develop in the 1970's, but if gas from the Arctic was connected a large new supply would be available.

I ask the minister whether these statements of his represent either faulty forecasting by his department and the National Energy Board or an attempt by the minister to join with the Canadian Arctic pipeline consortium in trying to frighten the people of Canada into accepting the Mackenzie valley pipeline?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, on the second point, as the hon. gentlemen knows there were no attempts by the government to make any judgment on the Mackenzie valley pipeline before the National Energy Board reports. As the quotation just read by the hon, gentleman indicates, there has been evidence presented at the hearing that there is a shortfall. It seems to me that the most appropriate action for all is to await the National Energy Board report.

NATURAL GAS—SUGGESTED REDUCTION OF EXPORTS IN VIEW OF POSSIBLE SHORTAGE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary question, Mr. Speaker. The minister has told us that evidence has been presented to the National Energy Board indicating that there is likely to be a shortfall. Therefore, it seems to me he is entitled to tell the House what information there is indicating there will be such a shortage. I ask the minister this question. If he is convinced that there is likely to be a shortage of natural gas in the 1970's, is the government giving any consideration to reducing our exports of gas, which at the present time represent about half our total production of natural gas in this country?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it is precisely to seek the informed judgment of the board in that particular regard that we have had the hearing, and it seems sensible to wait until the report is received.

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● (1450)

AIR CANADA

TREATMENT OF PASSENGERS WHOSE FLIGHTS DIVERTED TO DORVAL—REQUEST FOR EXPLANATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Transport. Would the minister agree to ask Air Canada for an explanation concerning the callous manner in which it treated about 1,000 Toronto-bound passengers last Friday when it unceremoniously dumped them at Dorval without any plans being made for their welfare.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have already been in touch with Air Canada and Air Canada has promised me it would compensate all those affected in this way.

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TRANSPORT

REPORT BY CN AND CP ON RAIL PASSENGER TRAFFIC—DATE OF PUBLICATION AND IMPLEMENTATION

Mr. J. R. Ellis (Hastings): Mr. Speaker, I too have a question for the Minister of Transport. The minister has had in his possession for at least two years, with an upgrading in the last few months, a report from the CN and CP with regard to rail passenger traffic in Canada. Would the minister inform the House when he intends to implement some of the recommendations in the report, and when will he release the report if not to the House at least to the Standing Committee on Transport and Communications.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not know how long I have had the report, but it is not a matter of years. It is probably a couple of months. I met last week with both the CN and CP in order to discuss the report, which is being processed through the department, to see how we can achieve what they are trying to do because, as you know, we want to have those new trains to see how the tracks will be used by CN and CP. This is still in a state of study. I think it would be preferable to wait a little while before I table the report.

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ENERGY

REPORT ON RESEARCH AND DEVELOPMENT—REQUEST FOR PUBLICATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. It has to do with the report of the Science Council of Canada in respect of Canada's energy

opportunities. In view of the fact that the minister indicated to the House his department had completed its assessment of the research work done at the federal level, and since this particular report advocates increased investment in research with respect to non-renewable resources and alternative fuels, would the minister be prepared, in view of the completion of his work, to have tabled in the House the document prepared by his department in respect of the research program now being carried on in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, it would be my intention that the government report on research and development in the energy sector, not only in respect of my department but throughout the government of Canada, be put in a publishable form, translated and made available to members generally.

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EXTERNAL AFFAIRS

CONFERENCE OF OIL PRODUCING AND CONSUMING COUNTRIES—REASON CANADA NOT PARTICIPATING—ARRANGEMENTS TO BE KEPT INFORMED

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Secretary of State for External Affairs. Could the minister tell us whether the Government of Canada has had any discussions with the Government of France about the feasibility of Canada participating in the meetings on energy in France on April 7, and why the decision was made that Canada would not participate.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the answer to the first question is yes. I think the answer to the second question is there was a desire to keep the preparatory meeting to as small as possible a number and to that objective Canada acceded on the assumption that it would be fully represented at the full conference to be held in the summer.

Mr. Gillies: Mr. Speaker, I have a supplementary for the same minister. What arrangements have been made for Canada to be kept fully informed, inasmuch as this meeting probably will set the agenda for the plenary session later on.

Mr. MacEachen: Mr. Speaker, the International Energy Agency will be represented at the preparatory meeting in an observer capacity and because of Canada's membership in that agency it will be possible for us to be kept informed of what is happening.

Mr. Speaker: The hon. member for Rocky Mountain.

Mr. Clark (Rocky Mountain): Mr. Speaker, I have a question for the Secretary of State who seems to have disappeared. Perhaps I can wait until later.

[Mr. Baker (Grenville-Carleton).]

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—POSSIBILITY OF RESUMPTION OF NEGOTIATIONS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the President of the Treasury Board. Can he give us some indication now concerning what steps are being taken to bring the two sides in the current dispute back to the bargaining table, and is there some hope that this might happen before the end of the week?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I hope the parties involved will be able to meet again before the end of the week. At the present time, I have no precise information on the subject, but I understand that it will be possible to find a way to meet again.

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[*English*]

ADMINISTRATION OF JUSTICE

POSSIBLE INCLUSION OF CRIMINAL NEGLIGENCE IN EXTRADITION TREATY WITH UNITED STATES—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Justice of which he has notice. The question is not what some people may think it is. I should like to ask the minister about the extradition treaty and the proposal that has been under study in his department. I wonder whether the government has now reached a decision about amending the extradition treaty with the United States to include criminal negligence, a matter of some concern to the people of Hamilton and I think to all citizens. Has the minister had sufficient time to look into that now?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we are looking at the question of specific events, but I cannot indicate a course of action at this particular time.

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FINANCE

POSSIBLE REDUCTION OF TARIFF ON IMPORTED AUTOMOBILES—GOVERNMENT POSITION

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, through you, I wish to direct a question to the Minister of Finance. In view of the government's stated policy to conserve energy, can the minister advise the House whether the present 15 per cent tariff on imported cars is being reviewed with the idea of reducing the tariff to a level comparable to that of the United States which is 3 per cent.

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker.

ENVIRONMENTAL AFFAIRS

ALBERTA DECISION TO ALLOW INCREASED EMISSIONS OF SULPHUR DIOXIDE FROM SYNCRUDE PLANT—GOVERNMENT POSITION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of the Environment. Since the federal government is now engaged in a joint environmental study with Alberta on the oil sands, does the minister support the decision of the Alberta Department of the Environment to allow Syncrude to double its sulphur dioxide emissions from 140 long tons a day to 287 long tons a day.

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the levels of emissions from industrial stacks are decided on a national basis, and one province is usually not allowed to decide on a higher level of emission. I will have to look into the case the hon. member refers to.

Mr. Symes: Mr. Speaker, in view of the minister's own environmental impact study of August 1974 which concluded that sulphur dioxide concentrations at Syncrude will exceed provincial standards and federal objectives several fold, will the minister now introduce federal anti-air pollution standards and also ensure that Syncrude SO_2 emissions be reduced to 40 tons a day as the minister's department recommended.

Mrs. Sauvé: The recommendations concerning emissions go to the provinces and the provinces are obligated to implement these recommendations. However, in a case of excess levels of emissions of such gases as are recognized as being toxic, several elements have to be taken into account such as weather conditions and direction of wind. I thank the hon. gentleman for bringing up this matter. I will look into the question. The purpose of the study with Alberta was precisely to enable us to calculate the levels of emissions which would be tolerable in that region.

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EXTERNAL AFFAIRS

CONFERENCE OF OIL PRODUCING AND CONSUMING COUNTRIES—INQUIRY WHETHER CANADA ASSURED OF REPRESENTATION AT FULL CONFERENCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Secretary of State for External Affairs concerning the conference launched by France in respect of the consuming and producing petroleum countries and countries of the third world. Which is the correct statement of affairs? Is it that Canada is assuming she will be invited to the whole conference later on in the year, as the minister indicated earlier this afternoon and as Canada's spokesman in Paris indicated, or is it that we have the assurance of all parties that it will be a full conference and that Canada will be a full participant as stated last week in the House by the Minister of Energy, Mines and Resources? Have we in fact an assurance or are we assuming this?

● (1500)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, presumably it is an assumption because the preparatory meeting is being held and from that preparatory meeting the full conference will be developed. I consider that probably it is an assumption bordering on an assurance.

Some hon. Members: Oh, oh!

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ENERGY

CRUDE PETROLEUM—REQUEST FOR STATEMENT OF CANADIAN POSITION ON FLOOR PRICE

Hon. Robert L. Stanfield (Leader of the Opposition): One could say, Mr. Speaker, that the Minister of Energy, Mines and Resources is the minister bordering on fraud, but of course I would never say anything like that.

However, I should like to ask him, in view of these preparatory discussions and the Canadian participation in the international energy agency, what is Canada's position with regard to a floor price for crude petroleum. With these important discussions about to take place, with guidelines to be laid down, and with the Americans pushing heavily for agreement among the consumer countries for a high floor price, what is precisely Canada's position? Could this outspoken minister tell us that?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I would be glad to do that but the answer would be so lengthy that it could not be given in the question period.

Some hon. Members: Oh, oh!

Mr. Stanfield: In view of the grave importance of this question to all Canadians as well as to members of this House, will the minister take an early opportunity—I would be satisfied with tomorrow—to inform the House one way or another as to what the position of this government is, and what position this government is taking on behalf of the Canadian people on this question which may vitally affect the future of this country?

Mr. Macdonald (Rosedale): It seems to me that the intelligent and rational thing to do is to go into this very fully in the standing committee, which I will be very pleased to do. I hope we will have the intelligent participation of the hon. gentleman's followers in that regard.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

DISCUSSIONS BETWEEN PREMIER OF NEW BRUNSWICK AND GOVERNOR OF STATE OF MAINE—KNOWLEDGE OF THE DEPARTMENT

Mr. Eymard Corbin (Madawaska-Victoria): My question is for the Secretary of State for External Affairs. Was

our Canadian ambassador in Washington referring and objecting to the periodic semi-official meetings between the premier of New Brunswick and the governor of the State of Maine when he suggested recently that discussions between parties from both countries, inasmuch as they may affect our bilateral relations, should be channelled through the Department of External Affairs? Is the department aware of the nature and scope of these periodic talks between the premier and the governor?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have not been made aware of the talks to which my hon. friend refers. We usually like to be kept informed of these talks because our services are often valuable in rendering assistance.

Some hon. Members: Oh, oh!

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[*Translation*]

UNEMPLOYMENT INSURANCE

REASON FOR SUSPENSION OF BENEFIT PAYMENTS IN CERTAIN CASES

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I would like to put a question to the Minister of Manpower and Immigration.

Since some Unemployment Insurance Commission officials are stopping payments of benefits even before the beginning of the study of the case involved, would the minister tell the House which section of the regulations gives these officials authority to stop such payments?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, again I would have to take too much time to go into detail, but they pertain to the provisions that permit disentitlement or disqualification where the claimant is not meeting his or her obligation under the act.

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GRAIN

DELAYS IN EXPORT SHIPMENTS—POSSIBILITY OF PAYMENTS UNDER PENALTY CLAUSES IN CONTRACTS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. On March 3 I asked the minister whether delays in moving grain on the west coast had resulted in Canada being called upon to pay sums of money under the penalty clauses in contracts entered into for the sale of grain, and the minister said he would look into the matter on an up to date basis. Is he now in a position to give an up to date answer?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, needless to say, there are many contracts and the details are rather voluminous. The matter is also a very complex legal one. Perhaps it might be amenable to a discussion between the hon. member and myself, which I am prepared to have at this time.

BAYDA COMMISSION—DATE OF REPORT

Mr. Ray Hnatyshyn (Saskatoon-Biggar): I have a supplementary question for the minister in charge of the Canadian Wheat Board. Is he now in a position to advise the House, in view of the very serious situation with regard to grain handling in this country as a result of the series of strikes which took place during the past year, on the progress being made and the date on which we can expect to have the recommendations of the Bayda Commission appointed by this government some months ago?

Hon. Otto E. Lang (Minister of Justice): I know that that inquiry is progressing and probably still on the schedule originally intended. As to any further progress reports, I think questions would be more properly directed to the Minister of Labour rather than to myself.

Mr. Hnatyshyn: In view of the answer given by the minister in charge of the Canadian Wheat Board, would the Acting Minister of Labour be now in a position to advise the House when we might expect this very important report which will have such a great effect on the whole of Canada and, if he is not in a position to do so, will he be in touch with the commissioner to see whether or not that report will be forthcoming in the near future?

Hon. André Ouellet (Acting Minister of Labour): I will inquire and report to the House.

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SPORTS

CONTRACT TO FLAHERTY MANUFACTURING OF HAMILTON—INQUIRY WHETHER PETER FLAHERTY ON DEPARTMENTAL PAYROLL WHEN CONTRACT AWARDED

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Can he indicate to the House whether on or about the time Flaherty Manufacturing of Hamilton received a $40,000 contract from the department without tenders being called, Mr. Peter Flaherty was in fact on the departmental payroll as a riding assistant to the then minister of national health and welfare?

Hon. Marc Lalonde (Minister of National Health and Welfare): I could inquire, but at this moment I would expect the answer to be in the negative.

CONTRACT TO FLAHERTY MANUFACTURING OF HAMILTON—PERSON RESPONSIBLE FOR NEGOTIATING CONTRACT

Mr. Paul Yewchuk (Athabasca): Could the minister confirm that this contract was negotiated with Flaherty Manufacturing on behalf of Sports Canada by a former aid to the then minister who was parachuted into that agency without undergoing any civil service competition for that position?

Hon. Marc Lalonde (Minister of National Health and Welfare): I could not confirm that for the simple reason that quite a few employees in Sports Canada at that time were contract employees. This situation has now been remedied and most of the employees now come under the public service rules and regulations.

Mr. Yewchuk: Would the minister also undertake to give the House details of the printing contract let for brochures for the same fitness award program, a contract which I understand was given another Hamilton firm—

Mr. Speaker: Order, please. Surely, the hon. member recognizes that that kind of information should be sought in some other way.

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CONFLICT OF INTEREST

SHARES OF MINISTER OF REGIONAL ECONOMIC EXPANSION IN NEWFOUNDLAND BROADCASTING—POSSIBLE CHANGE IN ARRANGEMENTS FOR DISPOSITION

Mr. Jim Balfour (Regina East): My question is for the Minister of Regional Economic Expansion. In view of the negative decision of CRTC concerning the sale of the minister's shares in Newfoundland broadcasting, does the minister intend to instruct his agent to seek another buyer for these shares who would meet the residence requirement imposed by CRTC?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Yes, I have already done so, but I am also delighted that the CRTC has now indicated they are prepared to accept a trust arrangement as well. So whichever turns out to be the more suitable, I will be prepared to do.

* * *

CANADIAN BROADCASTING CORPORATION

SUGGESTION GOVERNMENT NOMINEE FOR EXECUTIVE VICE-PRESIDENT APPEAR BEFORE STANDING COMMITTEE—GOVERNMENT POSITION

Mr. Joe Clark (Rocky Mountain): In the absence of the Secretary of State, I should like to direct my question to the Acting Prime Minister. In light of the unusual interest in the appointment of the executive vice-president to CBC, I wonder whether the Acting Prime Minister will consider having the government's nominee for that position come before the Standing Committee on Broadcasting, Films and Assistance to the Arts for questioning by members of parliament before confirmation of his appointment?

Some hon. Members: Oh, oh!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, in this country we follow the parliamentary form of government, not the congressional form.

Some hon. Members: Hear, hear!

Mr. Clark (Rocky Mountain): I welcome the Acting Prime Minister's belated recognization of that fact, but I should like to ask if, under this system of parliamentary government, his government will consider having the parliamentary committee responsible for the consideration of estimates and, in broad terms, the mandate of the CBC, given an opportunity to question the nominee for executive vice-president before confirmation of that appointment.

● (1510)

Mr. Sharp: Mr. Speaker, the hon. gentleman once again is referring to American usages. We do not have confirmations in this country.

Mr. Clark (Rocky Mountain): On a point of order, Mr. Speaker; I wish to correct the understanding of the Acting Prime Minister. I was not assuming that the standing committee would confirm that appointment. I was simply making the perfectly proper parliamentary request that a parliamentary committee have the opportunity to question the nominee before that appointment is confirmed by the government, and I am not sure why the government is refusing to consider this very reasonable request.

Mr. Sharp: Perhaps the hon. gentleman does not also realize that the committees make their own rules. I do not direct them.

Mr. Goodale: Mr. Speaker, on a point of order, an unfortunate conflict has arisen this afternoon between the work in this House on Bill C-50 and the work originally scheduled for the Standing Committee on Agriculture. After discussions with representatives from all parties on that committee, it has been agreed that the Standing Committee on Agriculture will not meet this afternoon.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I wish to confirm that agreement, and I ask the parliamentary secretary to convey our deep regrets to the civil servants inconvenienced by our awkwardness.

Mr. Masniuk: Mr. Speaker, I rise on a point of privilege. The Minister of Agriculture, in remarks to the Assiniboia federal Liberal association and in remarks inside and outside this House, has indicated that the success of Bill C-34 is totally dependent upon the passage of Bill C-50.

Mr. Speaker: The hon. member raised a question of privilege concerning the Minister of Agriculture.

Mr. Masniuk: Thank you, Mr. Speaker. Bill C-50 neither gives the government of Canada or the Minister of Agriculture any authority which it did not have before under the legislation which it is proposed to amend. It does not enable the government to stabilize the price of any agricultural commodity in any area in Canada in any new or more effective way, and any statement or insinuation to the contrary is not in line with the honourable behavior expected from a minister of the Crown. I think that the government should be called upon to insist that ministers observe the standards imposed by the rules of this House in their statements inside and outside of this House in relation to misleading interpretations of legislation as it exists.

GOVERNMENT ORDERS

[*English*]

AGRICULTURAL STABILIZATION ACT

AMENDMENTS TO PROVIDE FOR DEFINITION OF AGRICULTURAL COMMODITY AND BASE PRICE

The House resumed, from Thursday, March 6, consideration of the motion of Mr. Whelan that Bill C-50, to amend the Agricultural Stabilization Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Gordon Towers (Red Deer): Mr. Speaker, as I rise to take part in the debate on Bill C-50 I question whether agriculture has ever been in a more vulnerable position in the Canadian economy than it is at the present time, and unfortunately we have a minister who seems to be unaware of the real problems facing agriculture. We have a minister telling people, especially urban people, that they will have to pay more for food. I am concerned that eventually urban people will take exception to some of the comments of the Minister of Agriculture (Mr. Whelan) because they will not want continually to be backhanded in the face as they have been in the past. They are a very generous people and they are willing to pay a fair price for produce. Unfortunately agriculture is in an extremely difficult situation because this government will not come to grips with the real problem facing our economy, and that is inflation.

The people who strike for higher wages are in no better situation after they have received those wages than they were before negotiations started, when there was a little more stability in our economy. At the present time there is no stability in the Canadian economy. The situation which now exists on the west coast is deplorable. The people who are on strike there will never catch up on wages they have lost. It is a vicious circle. We on this side of the House go from one minister to another in the cabinet, trying to obtain an answer as to what the government will do about it, and they say nothing. The President of the Treasury Board (Mr. Chrétien) says that the government is patient and, hopefully, the parties will meet again this week. The government seems unaware of the complexity of the problems for the Canadian people in resolving the economic problems we are all facing.

Last year the minister responsible for the Wheat Board was very quick in getting into the confrontation when grain companies and farmers were going to have to pay the shot. But now it is a different story: we hear very little from that minister. By the same token we do not hear much from the Minister of Agriculture. I just cannot understand how some of the backbenchers on the government side of the House can be so naive. I should perhaps refer to the hon. member for Battleford-Kindersley (Mr. McIsaac). He said that the minister and the government are responsible for the stability evidenced in the beef industry. All the hon. member would have to do is talk to some of the beef producers to find out exactly what is happening in the beef industry. He should go out on the farm and see what is happening.

The minister says that we have a subsidy at the present time which is taking care of the beef industry. But it is not. Why in the world do we have to have a subsidy which pays the same amount to a producer who receives 55 cents for his beef as it does to the man who is getting 35 cents? This is not fair and it is not conducive to establishing a strong, viable beef industry in our economy. It is not good for the economy and it is forcing a great many people out of the industry. Eventually the consumer will suffer because the product will not be available.

The minister takes pride in his knowledge of agriculture. He says there have been previous ministers of agriculture who did not know the difference between a cow and a sow. I do not know whether he refers to the member from Calgary who is now in the other place, or the former member for Medicine Hat who is still in Alberta. However, I am sure there will be ministers of agriculture following this minister who will say that this minister laid an egg, not primarily because that is how the situation could be assessed, but because of the way he has mishandled CEMA from the very beginning.

There is no way our agricultural industry problems will be resolved by implementation of programs such as this stabilization bill. It has been suggested that it will not do much more than the measures already available to the Department of Agriculture and the minister. However, one of the things we must have is a responsible minister who recognizes the problem and takes action to resolve it. It has been brought to our attention that the minister knew a year ago last December that an egg surplus was developing under CEMA, but he was able to keep the lid on it until after the election. Then, of course, 28 million eggs were destroyed. The minister did not smell so good at that time.

● (1520)

The consumer resents this type of inaction and so does the producer because he suffers a lot. It is immoral to destroy food in a hungry world. I think the minister knows this, but he does not seem to be capable of coming up with a policy that will keep up with the production that Canadian agriculture is able to develop. The minister is a great promoter of marketing boards. I think they serve a useful purpose, but they must have the support of the Department of Agriculture if they are to function properly.

Mr. Speaker, I do not think Canada should try to develop a world food bank all by itself, but I do think there should be such a world bank to distribute food to the hungry people of the world. Perhaps the Minister of Finance (Mr. Turner), in his position as chairman of the International Monetary Fund, could work toward this end. If we increased production by only 1 per cent or 2 per cent and channelled that amount to a world food bank, it would be of some help. If the 1 per cent or 2 per cent fell back on the Canadian economy, however, it could wreck the agriculture industry, and certainly the morale of the producer if the surplus were to be destroyed.

From December 1, 1974, to January 11, 1975, 50 carloads of eggs were imported from the United States, and in the week of March 3, 1975, 12 carloads were imported. That creates a problem for CEMA, and unless it has the support of this government and the Minister of Agriculture it just cannot cope with these things. Already Newfoundland and British Columbia have suggested that they will leave

CEMA, and Alberta is considering holding a plebiscite on the question of whether to remain in the organization. No organization can operate efficiently in an atmosphere of indifference and indecision. It is up to the Minister of Agriculture to do something about it—but he is reneging on his responsibility to the industry and we will continue to have problems until he accepts his responsibility. I am just using CEMA as an example, Mr. Speaker. If the problems in that organization can be resolved, I believe the problems in other sectors of agricultural production can also be resolved.

The poultry population on January 1 of this year was 22,443,244 according to CEMA. According to the Department of Agriculture, however, it was approximately 26 million, and according to the production and marketing branch it was approximately 24 million. With this discrepancy in figures it is impossible to tally the total productive capacity. The hon. member for Joliette (Mr. La Salle) pointed out the problem of overproduction. Quebec increased production last year by 42 per cent over the previous year. Production as of February 8, 1975, was up 29 per cent over the same month in the previous year. This proves that we have the ability to produce in this country. But then the question arises, what are we going to do with the surplus? The government should be prepared to direct it into markets that are readily available in other parts of the world, but of course this would take a certain amount of organization.

For some time the hon. member for Edmonton-Strathcona (Mr. Roche) has been urging the government to set up a program to help feed the hungry people of the world. We cannot do this at present, however, with marketing boards setting goals that are less than our domestic requirements. Much the same thing is happening in the dairy industry, Mr. Speaker. We import 50 million pounds of cheese and 50 million pounds of butter in a year because we are not up to our maximum production. Farmers cannot afford to take the chance of producing more in case there is not a market. We saw what happened in the beef industry and now many people are getting out of it. When the grain industry got into trouble, we had at that time a fairly viable meat industry, so many farmers switched. But they cannot switch back today.

I suggest that within two or three years we will see animals being raised on grass to a greater degree, as they were when most of us were girls and boys. This will probably mean they will go into the feed lots at 800 pounds or 1,000 pounds, so it will take a couple of years for them to get there. In the end, production will be down and we will be short of beef. We have not cut back on production at present, as has happened in the United States. They have 135 million head of cattle, compared to our 15 million head. A short time ago they had 150 million head, but they are getting it under control. Our count remains at 15 million. The selling price of beef, of course, has fallen and the minister should be prepared to do something about it.

● (1530)

Unless the cabinet supports the Minister of Agriculture, our difficulties in agriculture will continue. The minister suggested that he enjoys the support of the cabinet. I doubt it. Let me refer the House to what he said as recorded at page 3813 of *Hansard* for March 5, 1975:

There is also a provision in the bill which some of my colleagues in cabinet suggest gives the Minister of Agriculture a blank cheque to support the food producers of the nation. Never before has agriculture and its representative in the cabinet, the Minister of Agriculture, been given that authority. But—

And this is a big "but".

—I want to remind members of the House that before the Minister of Agriculture is granted that authority, there is an inter-departmental committee made up of five departments which studies all things pertaining to agriculture before a decision is made. There also are five cabinet ministers who decide on anything we do. That has been the situation for some time in cabinet. They consider the matter before any major decision is made which affects not only the agricultural producers but also the consumers in this country. Anyone who says that is not so is not stating the fact.

The minister, in the main, repeated what we have said. He has not enjoyed the support in cabinet which he, as the representative of the agricultural industry, deserves. Without that support it will be impossible for agriculture to be established on a viable, sound basis. Let me refer the House to the manner in which the government announced its restrictions, a little less than two years ago, concerning the cattle industry and involving exports to the United States. The Prime Minister (Mr. Trudeau), not the Minister of Agriculture, made the statement which signaled the downfall of the cattle industry in Canada. It has been losing money ever since. Cattle producers have been forced to refinance time and again. At some point they will not be able to refinance, and that is when the cows will come home, to use a cliché, for Canadian agriculture.

Who announced the appointment of the new deputy minister of agriculture? I will not comment on the ability of the new deputy minister as time alone will show if he has any. The agricultural industry does not like the idea of the Prime Minister appointing a man of his own choice. There are many capable men in Canada who could have helped the Minister of Agriculture in that capacity. The industry regrets the retirement of Mr. Sid Williams. We all hope that his successor, even though appointed by the Prime Minister, will fill his boots. But, Mr. Speaker, they are big boots to fill.

The building of a strong, stabilized agricultural industry will place a heavy load on the Minister of Agriculture. For this reason we hope he will accept advice from my side of the House more readily than in the past. Why do I say this? Let me illustrate. About two years ago, when the government tried to introduce a crop insurance program which would work and be accepted by farmers across Canada, we, in an effort to be helpful, tried to move amendments. They were not accepted. What happened? Farmers availed themselves of the program on an "on again, off again" basis. Some farmers tried to build up their own protection; nevertheless, the program has not accomplished its announced aims. You cannot institute a program like that overnight. We knew this and tried to introduce amendments to the bill when it was before the House. If they had been accepted, it would not have been necessary for the minister in charge of the Canadian Wheat Board to bring before the House the present grain stabilization bill.

Some people think that crop insurance is different from stabilization. It is not necessarily so. Actually, insurance and stabilization are one and the same thing. Remember, Mr. Speaker, we are interested in maintaining a viable

agricultural industry, an industry in which farmers show a profit. If they do not, they go broke. So it does not matter if you call the program crop insurance or stabilization; the objective is the same. We maintain that you do not need both programs, because with two programs you establish two bureaucracies, one under the Minister of Agriculture and one under the minister in charge of the Wheat Board.

Imagine what would happen with two bureaucracies. Inspectors working for the Minister of Agriculture would look in farmers' bins to see how much grain was stored before authorizing a payment. After they had left, inspectors working for the minister in charge of the Wheat Board would come to the farm and look in the same bins. Bureaucracy would be compounded. Actually, that is what is wrong with this government—there is too much bureaucracy. One department does not communicate with the other and too many bureaucrats are maintained in their jobs at the expense of the taxpayer.

Too many bureaucrats in jobs force taxes up. Because taxes are high, people strike for higher pay. If taxes were lower, people would be content with less pay. At present there is a vicious circle. We should reduce costs all through the economic chain so that ordinary people would derive the benefit. As things now stand, with grocery bills climbing, and clothing and shelter costs escalating, people will strike for more pay. If we are to cure this situation we must begin at the top. I hope the Minister of Agriculture pays attention to what we on this side suggest, because we do not want to have to tell him in two years' time that he made a mistake.

The minister said that eggs will not be included in this stabilization bill. I went to some pains pointing out why it is necessary to resolve CEMA's difficulties. Unless we resolve those difficulties, I submit it will be difficult to resolve other agricultural problems. I pointed out that the figures of Statistics Canada, the Department of Agriculture and CEMA are all different: they all tell a different story. CEMA itself now says it cannot rely on the figures of the Department of Agriculture or Statistics Canada, and wants to establish its own intricate system of record keeping. Surely it is up to the Department of Agriculture to provide such figures and to introduce policies which will benefit producers.

Although our agriculture is regionalized, I think the federal Department of Agriculture should take on the job of selling and exporting agricultural commodities—with the support of the provinces, of course. That would not mean taking anything away from the provincial governments. Goodness only knows, nobody is a stronger supporter of provincial rights than I am, but in the selling of agricultural commodities I think the federal department can do a better job than the several and individual provincial departments. The Wheat Board sells most of our wheat; why should not the Department of Agriculture sell most of our agricultural produce? Why not let one department handle all selling, instead of having the departments of agriculture of Manitoba, Saskatchewan, Alberta and other provinces send delegations to Japan and other countries? These delegations are costly. Costs are duplicated. Why can we not decide on the price of a commodity before it leaves Canada? We could use marketing boards to set the price, if you like. Uniform marketing efforts would

[Mr. Towers.]

end the present dissatisfaction. These remarks apply equally to CEMA. Egg production is up in Quebec and down in other provinces, and egg marketing is in a mess. Until the Department of Agriculture gives more leadership, we shall not resolve these difficulties.

I was surprised to hear the minister say that wheat produced in Ontario will not come under the jurisdiction of this stabilization bill. The minister had better take another look at that, because he said Bill C-19 would cover wheat produced in Ontario; oats and barley, yes; but he said it would take care of wheat. However, it only takes care of 50 per cent of the wheat grown in Ontario. I am going to read some figures into the record. These were presented when the representatives of the Ontario Wheat Board were before the committee. The hon. member for Moose Jaw (Mr. Neil) was questioning Mr. Young, chairman of the Ontario Wheat Producers Marketing Board. He asked:

● (1540)

MR. NEIL: You are a producers' marketing board, in other words?

MR. YOUNG: That is right.

MR. NEIL: And does it include all the producers of grain in the province of Ontario?

MR. YOUNG: Right.

MR. NEIL: And what grains does it cover; all cereal crops?

MR. YOUNG: Oh no, just wheat; all wheat producers in the province of Ontario.

MR. NEIL: And I would assume your function, then, is to get the best price possible for your members; is this correct?

MR. YOUNG: Yes, this is our aim and objective.

MR. NEIL: How much Ontario grain goes into milling, on the average?

MR. YOUNG: In the area of eight million bushels.

MR. NEIL: About eight million bushels?

MR. YOUNG: Yes; about half the crop.

The Minister of Agriculture will have to examine the situation in order to have that included. I have spent considerable time expressing my opinion and the opinion of those I represent. We want to see the bureaucracy of government reduced. We want the expense of production reduced. That is the only way to have a viable agriculture industry in Canada. We must first attack the cost of production. Until we get rid of government bureaucracy we will not be able to accomplish this.

Talk to some representatives of the industries. In the dairy industry, for example, the creameries and milk retailers with labelling requirements have extra work forced upon them. In certain areas bilingual displays are required on products even though the people do not require it. This is an extra cost of production. Why must all the ingredients be listed, when in a great many cases it does not mean anything to consumers? They know the products they want, and they buy them. Why does the Department of Agriculture not set up a data bank in Ottawa? If anyone wants to know the ingredients of a particular product, he could obtain the information from the data bank. He could then determine whether or not he wanted to continue buying the product. Surely, with our modern-day technology, such a data bank could be established.

These are some of the areas in which the minister is lacking: he lacks imagination and he lacks support in

cabinet. Until this failure is overcome we will continue to have problems in agriculture. We are just jumping from crisis to crisis. That is the way it has been since I came to the House of Commons. The Postmaster General (Mr. Mackasey) agrees we have been going from crisis to crisis. The time has come for the operation to be run smoothly: if not, we are lost and I do not know what will happen: it will be a catastrophe.

Hon. Herb Gray (Windsor West): Mr. Speaker, this bill is intended to be a very important piece of legislation. It cannot be otherwise since, as the Minister of Agriculture (Mr. Whelan) says, it deals with the production of food, of what he calls "the mainstay of life". While it is a series of amendments to the Agricultural Stabilization Act which has existed since 1957, it will give that act a much wider and more far reaching impact than it ever had before. The bill's purpose is to provide farmers with "a guaranteed floor price" for agricultural commodities. This means the bill has an importance far beyond the boundaries of the agricultural community itself, making up as it does only some 6 per cent of our labour force. In fact, the bill has great significance for everyone in the country.

However, in my view, so far in this debate a number of questions of vital concern to every Canadian have not yet been clearly or fully answered. These questions are important to all individual Canadians as taxpayers and as consumers. It would appear that the government intends, through the amendments set out in Bill C-50, to use the Agricultural Stabilization Act much more frequently and more fully than was possible in the past. However, the Minister of Agriculture has given us no indication of what the broader and more frequent use of this legislation will cost the government and, therefore, all individual Canadians as taxpayers. In the 1973-74 fiscal year, the Agricultural Stabilization Board spent $143 million, through the estimates, on payments to farmers. The recently tabled estimates say that the forecast of the board's expenditures for the 1974-75 fiscal year will be more than $301 million. These estimates also propose expenditures for the board during the coming fiscal year in the area of $261 million.

Does this proposed expenditure in the 1975-76 fiscal year take into account the more frequent and extensive use of the Agricultural Stabilization Board program contemplated by Bill C-50? If so, why is less intended to be spent in the current one? Is it possible that in spite of what is promised to the farmer through this legislation, it will in fact not be used as fully as the Minister of Agriculture implies? However, if more than $261 million is to be spent, we should be told, even if it is only in a general way, how much the government expects this greater expenditure to be.

Another key question for all Canadians is how much will the application of Bill C-50 cost them, not only as taxpayers but also as consumers when they do their shopping for groceries. In other words, what effect will Bill C-50 have on food prices? Bill C-50 would authorize the government to set base prices for the wide range of agricultural commodities to which it applies in a way that would make these base prices higher than would be possible under the formula used in the existing law. A significant question for Canadians, as consumers, therefore, is what is the connection between these base prices and retail prices for both processed and unprocessed food? Will a base price set under Bill C-50 operate anything like the intervention price set by CEMA under the national egg marketing plan?

You will recall, Mr. Speaker, that the evidence before the special egg marketing committee established that the intervention price at which CEMA bought eggs from farmers was set at such a high level that it caused the retail price for eggs to be so high that it discouraged consumers from buying them. Is there a risk that Bill C-50 can cause situations with respect to those commodities to be supported under this new agricultural stabilization program similar to what took place recently with regard to eggs? I think this is a valid question, since the Minister of Agriculture said the following about the stabilization programs to be undertaken by the federal government under this new law:

None of these programs can work without proper supply management.

What does he mean by the term "proper supply management"? What commitment is the government making about the way supply management will be used to support the operation of the agricultural stabilization program? What will the government be doing to avoid the creation of situations with respect to other commodities to be covered under Bill C-50 like the one that arose in egg marketing?

● (1550)

At the same time, supply management generally has meant quotas, that is, the limiting of production. So far in this debate the government has not really attempted to answer the kind of question I raised in the House during the debate on the income tax bill. The question is: during this period when there is not just a shortage of food but actual starvation in many parts of the world, do we have an obligation to adopt policies of maximum food production no matter what the effect on market prices might be? Also, how would such maximum production be paid for, recognizing that the cost of such production cannot fall primarily on the farmer? To what extent could we afford this kind of policy at all?

Thus far in the debate no indication has been forthcoming as to the extent to which the bill before us may be part of a total food policy, or the degree to which the government and the Minister of Agriculture are committed to developing one. By a total food policy I mean a policy which deals not only with the role of primary producers but also, and equally, with the role of the others in the food chain—the processor, the wholesaler and the retailer. It is one which must include programs to encourage efficiency and productivity and also to review the pricing policies of those groups which operate beyond the farm gate.

The purpose of this bill is to protect farmers against having to bear alone the burden of receiving prices for their production when those prices from time to time are at their very lowest. But the government has said nothing, or at least very little, about what the rest of the Canadian population will actually be getting through Bill C-50, particularly in the vital area of prices. The government's silence in this area of policy, at least until this point in the present session, is not consistent with the commitment it

gave the Canadian people in the Speech from the Throne of February 27, 1974, which said:

> Guarantees against unduly low prices for producers must be coupled with guarantees against unduly high prices for consumers.

Does the government not have an obligation to follow through with concrete action on both sides of the equation—guarantees against unduly low prices for producers and guarantees against unduly high prices for consumers? So far, only the commitment to agricultural producers has been set out in terms of specific legislation, that is, in Bill C-50. There is nothing in this bill itself which will ensure the carrying out of the commitment to consumers which the government made with equal force in the throne speech of February, 1974.

However, there is already in existence a program with regard to a key agricultural commodity which is based on the kind of approach I am talking about, the approach outlined in the throne speech of February, 1974. I am referring to the government's program for two-price wheat which is being turned into legislative form through Bill C-19. This program assures western farmers that for some seven years there will continue to be a floor below which the price they get for their wheat cannot fall no matter how low world prices may tumble. At the same time, along with this protection government policy provides for a ceiling above which the price in Canada cannot rise. Thus, the wheat farmer forgoes the opportunity to get world prices when they are at their peak in return for being protected against receiving world prices when they are at their lowest. This policy provides mutual benefits for both farmer and consumer.

There is nothing of this approach in Bill C-50. It contains only the provision respecting floor prices for farmers, but nothing specific about an equivalent kind of protection for consumers through some kind of ceiling on the prices they pay for the commodities which will be covered by the new agricultural stabilization program. Has the government abandoned the commitment made to consumers in the February, 1974, throne speech? Canadians generally, I am sure, hope this is not the case. After all, this was the throne speech on which the government went to the people and sought re-election. This was the throne speech which formed an important part of the basis for the judgment people made in re-electing the government with a clear majority last July 8.

The Minister of Agriculture says Bill C-50 will encourage production. However, the bill is a series of amendments to the existing Agricultural Stabilization Act. The preamble of this act sets out that it is—

> —for the purpose of stabilizing the prices of agricultural commodities in order to assist the industry of agriculture to realize fair returns for its labour and investment and to maintain a fair relationship between prices received by farmers and the costs of the goods and services that they buy, thus to provide farmers with a fair share of the national income.

This preamble contains no reference to production, although providing farmers with a fair share of the national income is, generally speaking, an objective with which Canadians would be in sympathy. Questions can be asked as to the method the government intends to use to achieve this objective. Does the government intend to keep up retail prices for food by a combination of supply management limiting production and of base prices set under Bill C-50? Or, will the government encourage greater production but use Bill C-50 to prevent the law of supply and demand from operating so that the greater production cannot create a downward pressure on retail prices to consumers, allowing them to benefit from the effect of this kind of market force? The Minister of Agriculture said, when he spoke at the beginning of this debate:

> So long as we have properly planned programs such as this stabilization program it will cost the government hardly anything, if anything at all, in the long run. It will not cost the producers anything—

Well, to paraphrase the old song, most taxpayers will say that the expenditure of $261 million is "plenty of nothing." They are entitled to ask, on whom and in what way will the real cost of Bill C-50 actually fall? Such questions should be explored, since if the new bill is to be fully and actively used—and remember that only $261 million is allotted for it in the estimates—it could mean that the government intends that higher returns for farmers in respect of basic agricultural commodities will come primarily from the marketplace. But if this happens, the burden will not fall with equal fairness on all Canadians. The reason is that the burden of higher food prices in the marketplace falls most heavily on lower income consumers who spend a higher proportion of family income on foodstuffs.

This is a further argument for extending the floor and ceiling approach adopted in the two-price wheat program to other commodities. It is also an argument in favour of deciding that an appropriately larger part of the cost of the new agricultural stabilization program should be met through government expenditure since the funds for it come from taxpayers generally and are raised on the principle of ability to pay.

One can recognize and accept the importance and the justice of the concepts set out in Bill C-50, aimed, as they are, at sheltering the farmer from uncertainties caused by the state of world markets, alternating gluts and shortages of world production and varying weather conditions. However, the small businessman, the small manufacturer, the skilled tradesman, might well ask, "Why is there nothing like Bill C-50 for us?" They could argue that they, too, are self-employed, like the farmer, and that they face similar kinds of uncertainties. Nevertheless, the government is not giving them minimum prices for their production although it is asking them in one way or the other to help pay the cost of this kind of assistance for agriculture.

Of course, the answer may well be found in the importance of our agricultural sector to our country and to the world. If this is the case, it must be observed that agricultural spokesmen can hardly be justified in complaining, as they often do, about the attention being paid to agriculture today by governments, on behalf of the general public, through such measures as the Food Prices Review Board, the special parliamentary inquiry into egg marketing and various government programs. If agriculture has the importance its protagonists claim for it, then the over-all public interest requires that the government, on behalf of all Canadians, pay the same kind of attention to it that the government is expected to pay to other key sectors of the economy. Primary producers can hardly ask for wide-ranging support from the government and object

to scrutiny from government as to how their role fits in with the over-all public interest in terms of the government's priority obligation to protect that interest.

● (1600)

I have asked the kinds of questions I have raised today in a constructive and positive sense and in the belief that Bill C-50, generally speaking, deserves the support of the House. However, I believe that these questions need to be answered before this bill receives final approval, to ensure that it will be administered in a way consistent with the general public interest and thereby in the interests of all individual Canadians.

The purpose of a national government is to work for fair treatment of all groups in our society, whether they be identified in terms of region, occupation or patterns of expenditure. This bill is aimed at providing fairer treatment for a very important group in Canadian society. The government must go on to put in place its policy to ensure equally fair treatment with respect to food prices for the rest of the Canadian population in a way that is consistent with the commitment it gave so eloquently in the Speech from the Throne in February of last year.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I listened very attentively to the speech delivered by the hon. member for Windsor West (Mr. Gray). I thought it was too bad he was not a minister any more. It would have been very important for the hon. member to make such recommendations when he had certain powers.

Mr. Speaker, I should like to make a few comments on this bill which is highly significant for agriculture. It will be called the Agricultural Stabilization Act. It will bring changes in the definition of agricultural products, in the establishment of basic prices and will reduce from ten to five the years of evaluation prescribed in the former legislation. The bill also contains an interesting provision recommending an allowance for production costs. That is very important. The legislation also provides for regional stabilization, taking into account the sharp differences that may exist in the various areas. It is something the bill should correct. The law already protects certain products. We are told that the bill will allow the governor in council to add any agricultural commodity that will be deemed necessary. As a few members pointed out, that will puzzle the poeple. Of course we would have liked this bill to cover all agricultural products so that, notwithstanding the products concerned, producers will be sure of getting the protection of the law.

Mr. Speaker, I should also like to quote certain remarks of the minister, who recognizes that agriculture is the foremost industry in Canada, that one job out of three surely depends on agriculture and that this bill will give the minister powers that none of his predecessors ever had. The minister also recognizes the importance of creating a climate of confidence for farmers, so that young people may stay on the farm. I believe those are excellent intentions. I noticed that the hon. member for Lac-Saint-Jean (Mr. Lessard) said in his speech that it was a step in the right direction, and I believe we all agree as to the good intentions of the minister in respect of this bill although the same hon. member also pointed out quite rightly some concerns about certain commodities or methods of application.

Mr. Speaker, despite all the respect I have for the minister, the assurance of his good intentions, the efforts he made since he has been responsible for that department, I think it is also important to consider what happened generally—since 1968 as far as I am concerned—and what are the results of the government's agricultural policy. In the meantime, did agriculture gather extraordinary momentum? Is the farming community less concerned, more happy, better off? I think several questions remain unanswered.

I represent a riding quite interested in agriculture and in view of the unsatisfactory solutions that were put forward, it has been said, as the minister pointed out, that in recent years the government introduced several pieces of legislation in this House to improve the position of the agricultural sector, yet we are still faced with difficulties which do nothing to lessen the concerns of the farming community.

● (1610)

So, in view of that, the government having received briefs from several agricultural organizations, and in view of the importance of agriculture in this country, one must wonder whether the government did allocate the necessary funds. Indeed, recognizing the leading role of that industry, I think the Minister of Agriculture has failed to listen closely in cabinet when it came to apportioning the necessary votes to the various departments.

With respect to the milk industry, we know the position of milk producers. We must import rather large quantities of butter. The diminishing population of milk producers is disturbing, production costs have shot up beyond reason and, in this area as in others, there is a discouraging indebtedness, specially among young producers.

For instance I would like to point out to the minister that I read carefully the brief by the Canadian Federation of Dairy Producers which deals with the future policy to be applied by the minister and the government if they really are to make the effort needed by dairy producers especially. In other areas of production, expectations are similar; let me quote a letter by the Federation of Dairy Producers to members of parliament and to the minister in charge. I quote:

> This is to underline the extreme importance of decisions to be taken by the government in the few days to come with regard to its policy for the 1975-76 dairy campaign ... We hope that, through those decisions, not only will the base price be set at a higher level within the stabilization program, but that an indexing provision will also be available to provide for accasional readjustments of that price.
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> Of course that indexing provision is important, but what is even more so is the basic level of revenues to which that index will apply. The present level of revenue is totally insufficient for that purpose; therefore the base price to be applied from April 1 and used for indexing revenues is a crucial decision. In its policy statement, the Canadian Federation of Dairy Producers requests an $11.62 per cwt. revenue for processed milk starting April 1. That level is substantially higher than the present $10.02 and shows the importance of a substantial increase in revenues as an indexing basis from April 1.

I therefore think for instance that it is important for the minister to take that recommendation by a leading Canadian industry into consideration.

I would also like to stress, Mr. Speaker, that I was personally very much in favour of that famous Bill C-176 which was expected to improve the situation of various categories of producers. When that marketing board would be implemented, we would manage to seriously cope with the shortcomings and difficulties of producers in general. We have had experience with eggs, as other members in the House have pointed out. We have had a very long study made by the board, in which it is recognized that there was a glaring lack of cooperation between the Minister of Agriculture (Mr. Whelan) and the Minister of Industry, Trade and Commerce (Mr. Gillespie). We could talk of poultry breeding and beef breeding. Everybody is well aware of these problems. There are the potato growers who are still meeting serious difficulties. The member for Bellechasse (Mr. Lambert) spoke of the difficulties also met by the producers of maple sugar.

In the face of those unceasing difficulties, one can congratulate oneself and think that this legislation will correct the situation and calm down farmers or this class of producers. Personally, I have some reserves, as do other members in the House. And I wonder how deeply the government has thought and how much it has tried to control imports, which certainly seem to be a cause of trouble for our trade in agriculture.

During the commission's inquiry on the egg surplus, it was recognized there had been lack of control over imports. Today and yesterday, newspapers still reported massive imports. This is causing enormous hardship to our producers. Apparently, the minister does not wish to apply now stringent measures.

Under the bill, the Minister of Industry, Trade and Commerce has exceptional powers when a problem arises concerning a Canadian commodity. For that reason, Canadian farming is still undermined. Other producers are concerned. They wonder what the government is going to do. Some members indicated that the government had increased farm loans, that it had introduced longer repayment terms. They did not mention interest rates, almost prohitive for young farmers. In 1968, the interest rate on farm loans was 5 per cent. The ceiling was removed so that the market rate could be changed. A federal commission was established to get the facts about farming. That commission submitted reports informing us on an outdated situation.

In my opinion, the Minister of Industry, Trade and Commerce deserves severe warning in the face of his inaction on imports and his lack of interest in problems now faced by the Minister of Agriculture. This makes things harder for the latter, because I feel he is looking for valid answers to farming problems. Producers hope the minister will be acting soon, because he has the power to control imports, which have enormously unsettling effects on our markets.

I would also like to emphasize the need for measures to preserve our agricultural area. There may have been a lack of coordination between the departments responsible for agriculture in general and already, Mr. Speaker, we are witnessing worldwide famine. It is therefore up to us to hurry up and make this industry efficient and more productive than ever before. We should not necessarily limit thoughts to available credits. I know that the government has found extraordinary funds to simplify the work of the Department of Regional Economic Expansion.

To come back to the importance of the agricultural industry in our economy, I believe that this industry also deserves particular attention. This is what has been lacking, as well as the interest of the cabinet in general, as concerns the necessary credits which would have allowed the minister responsible to meet certain demands. We have also often emphasized the lack of control over the cost of feed and farm machinery. We are learning more about this every day. I want to repeat these things in the House because we hear comments from farmers who are very worried and wonder when costs will stop going up so that we may finally have the stabilization suggested today by the minister in his bill.

We should not forget the consumer in all this. I was listening a while ago to the hon. member for Windsor West who was asking that any farming policy be geared to the interest of the consumer. He was wondering how the consumer would pay the cost. Of course, the consumer deserves the respect of those who must represent his policy and he must also know that the price for the survival of the farming class will have to be paid. I believe that the government should inform the consumer about the minimum that the producer must obtain, while investigating seriously the middlemen. Finally, what is important is that the producer gets an absolutely necessary income. I wonder when the government will start holding a little investigation on the middlemen, that is individuals who stand between the producer, who must get a minimum income, and the consumer who must also pay a minimum price for that product. I believe there is a gap between those two and we must conduct a serious study to find out who enjoys the best profits.

Right now it is not the farmer who makes fantastic profits and, taking into account the consumer's purchasing power, we have the responsibility to insure them quality products at reasonable prices.

As members of parliament, we could require the government and its responsible agencies to pay special attention to the middlemen who could have taken some advantage from time to time of any particular situation.

Mr. Speaker, on the whole we recognize that this legislation is a step in the right direction, as one of my hon. colleagues said last week. We do not intend to oppose an improving measure and we also hope that the minister will be able to give the answers to some questions asked during this debate. For example, the hon. member for Windsor West asked several questions. I think they were all very relevant and interesting. Personally, I would have liked this legislation to give more assurance to the producers who make up the so-called farming industry.

As to the escalation formula which seems to be applicable in as much as we provide for increases in input costs, we do favour it because it will solve the problem of the continuous increase in input costs. The only thing we still have to know is to what extent the government will be able to assure us some control over the increase in the input costs which unbalance any legislation which could seem proper today but which would quickly become out-of-date as the increase in those costs has gone unchecked too long.

Mr. Speaker, I will merely make those few comments acknowledging the import of that legislation and hoping that the minister will bring some amendments when it is under consideration in committee so that all producers may profit by stabilization while being assured of a minimum price.

● (1620)

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the amendments in the bill before us to stabilize farm income are not very important. Basically, they do four things: they revise the named commodities in the legislation, they add a few commodities and take out a few, they shorten the stabilization period for the base price from ten years to five years, and they increase the floor for the basic minimums from 80 per cent to 90 per cent of the previous five-year average. Also, there is a clause in the bill allowing producers in certain areas or provinces, one by one, to opt into the program and to supplement the legislation before the House.

The reason I say the amendments before us are not really important is that last year the Minister of Agriculture (Mr. Whelan) had four stabilization programs in which the minimums were above the minimum in this legislation. The bill before us provides floors—and I am sure that we are all happy with those floors—but it does not provide ceilings, and any program the minister might introduce could contain a floor that is above the ones we are considering today. So I suggest to the House that we should deal with this bill expeditiously. It will not create any fundamental or basic changes in the agricultural economy; it will just increase the benefits of the stabilization plan that we have. In other words, it is not a bill that is drastically important because it does not create any fundamental changes.

I want to mention six different areas about which I have questions and of which I hope the minister will take note. I do this because I think the agricultural community will be facing real problems. We have known for some time that beef farmers have been in trouble. The prices they receive for their commodities are much too low to allow them a decent standard of living. We know also that grain prices are falling, production costs are escalating, and as part of the world economy farmers will be facing difficult times.

I say that because I gather that on both sides of the House there is a feeling among members representing urban communities in particular that farmers have done very well in the last few years and that we should not be so concerned about them but, instead, we should turn our attention to other sectors of the economy. I want to remind hon. members that agriculture is the backbone of our economy and that although grain farmers in the last two or three years have not done badly, there are storm clouds on the horizon and we should turn our attention to them in particular.

The bill before us includes a whole series of commodities except western grain. We will be dealing with legislation on grain stabilization in the future. The first point I wish to mention to the minister is that of course I am happy to see him bring up the base price from 80 per cent of the previous ten-year average to 90 per cent of the previous five-year average. If we stabilize the price of commodities at 90 per cent of the previous five-year average, the farmer will fall behind economically because of general inflation in the economy.

There is every indication that inflation will increase rather than decrease, and if we stabilize the price the farmer will obtain at the previous five-year average, he will fall behind in economic terms. In order to counteract this, the minister has included a cost of production index. What worries me is that the definition of this index is left to the governor in council. What does the minister mean by "cost of production index"? Does he mean the whole cost in terms of fuel, fertilizer, machinery, and so on, that goes into producing a bushel of wheat, growing a heifer, growing a hog, or producing poultry?

I would like to hear the minister elaborate on what he means by "cost of production index," because even if we stabilize farm income at 90 per cent of the previous five-year average and put in a cost of production index, it might not be adequate. In fact, we would be stabilizing farm income downward from the economists' point of view. One could easily stabilize farm income at 100 per cent of the previous five-year average and still find the farmers falling behind. For example, are farmers' wages taken into consideration in the cost of production index? If they are, then the index might accurately reflect the true cost of production. That point should be clarified because this matter is left to the regulations. That is the most important part of the bill with which we are dealing.

The other point which I should like to mention to the minister is that there are still some commodities left out of the bill, and I wonder why. I am thinking particularly of oil seeds produced in western Canada. Why are they left out when western soybeans are in the bill? The third point I wanted to mention—and this is very important to my region—is that deficiency payments to be made under this plan are to be based on national averages for the commodities listed, but often there are regional or provincial fluctuations which have a bearing on what the farmer should be getting in terms of deficiency payments.

Let me give one example. In the region from which I come, namely, east central Saskatchewan, last year grain farmers encountered real difficulties in terms of weather. We had a very late spring, so the crop was put in late; then we had an early frost which froze the grain before it ripened. As a result, the farmer had a lower yield and a lower quality of grain in terms of grade and weight. We were below the average in the Wheat Board area. If deficiency payments were based on national averages, probably farmers in my area would not get any or, if they got them, their payments would be the same as those made in southern Saskatchewan where there was a higher yield of grain of a better grade, for which they got a better price.

Therefore, the minister should consider accepting amendments which would allow for greater regional flexibility. There is, for instance, the Peace River country of Alberta and the area of northern Saskatchewan north of my area where farmers experienced severe problems with weather during the growing season. If there is no flexibility in the legislation, farmers in some regions may be seriously affected.

The fourth point about which I am concerned is that adjustments made with regard to stabilization or deficiency payments are made on a yearly basis. I think this discriminates against farmers. If we consider beef, for example, at a certain time in the year when the farmer has to sell his livestock he might get 38 cents a pound, but a few months later another farmer may sell at 52 cents a pound since the commodity is on the open market. This applies to other commodities on the open market. When the farmer sells beef at a lower price, he does not get what he should from the stabilization fund. Perhaps the stabilization payment on the national average price for beef in that year, calculated on a yearly basis, would be 4 cents a pound. A person who sold beef at 38 cents a pound would lose, compared to someone who got 52 cents a pound when he shipped his livestock.

This is a question we should consider when dealing with the bill in committee. Why can we not have quarterly calculations, or calculations every six months? Perhaps quarterly calculations would involve too much red tape and too many bureaucractic difficulties. Let us seriously consider the possibility of calculating payments under the stabilization plan every six months instead of yearly, because different considerations come into play—different weather patterns and different production patterns in various regions. Many factors come into play and therefore calculations should be made more often than once a year.

Another point I would like to mention to the minister is that when one calculates the average price of a product in the previous five years, in my reading of the bill a deficiency payment is made in those five years but in the calculation the deficiency payment itself is not included. I think the deficiency payment should be included. The effects of the problem might be reduced sharply in one of the previous five years. There is a deficiency payment made to sheep producers, for example, and when you calculate next year the deficiency payment is not taken into consideration or made part of the previous five years' income. I think it should be, because that is the income the farmer received from the sheep or the vegetables he sold.

● (1630)

I think that if the deficiency payment were included there would be a much better reflection of the farmer's actual income in the previous five years, and 90 per cent of that would be added to the production index which the farmer would receive. If deficiency payments are not included, naturally the income of the farmer will be equalized at a lower level, which will work against his interest.

The sixth point I wish to make to the minister is that I agree with clause 6 of this bill. This is a provision whereby the producer or the province can decide to opt into the program in terms of supplementing it to bring up the threshold rate from averaging the previous five years at 90 per cent up to, say, 95 per cent or 100 per cent. I can visualize the Minister of Agriculture saying to producers and provinces that if they do not like this program they can supplement it. In terms of rhetoric, to most Canadian people that sounds very good: if they do not like it, they can add to it.

[Mr. Nystrom.]

That is fine for British Columbia which has a small agricultural industry, but how can Prince Edward Island get into this program? Prince Edward Island would be facing a massive expenditure. How could Saskatchewan, Manitoba or even Ontario or Quebec decide to opt into this program and bring up the threshold rate to, say, 95 or 100 per cent? It seems to me that this discriminates against the have-not areas of the country which have many farmers compared to areas which are industrialized. I would like the minister, instead of having that provision in the bill, to decide to take this federal legislation all the way and stabilize farm income at 100 per cent of the previous five-year average.

Those are just five or six points I am concerned about, points all of us should consider at the committee stage and points which I hope the minister will consider in terms of accepting or rejecting amendments which will come to him from hon. members on all sides of the House. I think these matters are important. I think it is also important to realize that this bill will not solve many of the problems we are facing. We have falling farm prices, to which I have already referred, we have instability in the marketplace and we have rising production costs. If we are to solve many of these problems we will need some fundamental changes in agriculture.

In a nutshell, I think our agricultural policy should be as follows: our objectives should be to maximize food production in this country. I think this should be the foreign policy of Canada. Canada is one of the few nations in the world which can produce massive surpluses of food products. It was a crime when during the last few months 28 million eggs went rotten because we did not have proper storage facilities and we did not have proper disposal units to channel them to needy countries. There is no world food bank and Canada does not have an adequate world food aid program. Those eggs represent only about one-half of 1 per cent margin of error by CEMA. It was about one day's lay for the hens of the nation. That is a very small margin of error.

If a large corporation made a margin of error of 1 per cent or less, we would say that the economists are doing a good job, but if CEMA does it many people are very critical because it is food being wasted. Eggs are going rotten while people are dying of starvation and while some people in this country are not getting proper nutrition. The other day there was a report which stated that over one million children in this country are not getting proper nourishment. Why do we not channel food into programs helping needy people around the world?

I think the prime objective should be to maximize food production. Food production can be maximized by doing two or three things. One is by stabilizing farm income so that the farmer makes a decent income for himself and his family so he can plan his production and so that, like any other wage earner, he will have an idea, when he plants his crop in the spring, of what he will receive in the fall. The farmer does not know that: he depends on the whims of the market, the whims of the weather and suffers from lack of planning by governments in this country. As much as possible we must try to eliminate these uncertainties. They cannot be eliminated entirely because we cannot tamper with weather conditions and many other things

around the world. But we should put millions and millions of dollars into support prices in Canada and into subsidizing the price farmers get for needed foods.

If these foods cost the Canadian consumer too much, instead of the farmer paying the price by reduced farm income—if the foods are basic necessities such as milk—then the Government of Canada should subsidize the price as suggested by the hon. member for Windsor West (Mr. Gray). Instead of the consumer paying a high price in the market, if food is important and children should have that food then the government should subsidize it so that Canadians can afford to buy it. I do not think one's financial situation should determine what he can eat when it comes to foods which are nutritious and needed.

We should be guaranteeing the farmer a decent, stable income whereby he can plan a good life for himself and his family. Along with that we need strong marketing boards. I know that the Minister of Agriculture agrees with me on this. I think we have to say to people in urban Canada that a marketing board for farmers should be regarded as similar to a trade union for workers, a medical association for doctors, a legal association for lawyers or a business association for businessmen. The farmer should use the marketing board to bargain in the marketplace.

There are many forces which put pressure on the farmer, but I think if he had strong marketing boards for all his commodities there would be a greater tendency toward stabilized production and stabilized prices. The farmer could plan, food production would be maximized and the consumer would not be subjected to constant fluctuation of prices. We buy bacon one day at, for example, 89 cents per pound and a few weeks later it costs $1.95. That type of thing would not occur if we had a strong marketing board, if we had an agency bargaining for farmers whereby they could negotiate with the government, with food retailers and wholesalers regarding the price they are to receive. If we had this type of planning in agriculture we would achieve maximized food production, farmers with decent incomes and enough food for the consumers of this country.

Those are just a few of the things which should be said about this bill. It is a bill which most Canadian farmers will agree to support as far as it goes, but I think it is still far short of what is needed in terms of a fundamental change in agriculture, a change which is necessary if farmers are to stay on the land. In the last few years farmers have been leaving the land. The small farmer is squeezed out: it is happening in the west and in the east. Unless farm incomes are stabilized to the point where a man, his wife and his children can profitably run a farm of ordinary size, we will have long-term difficulties in agriculture in the future.

With those remarks I ask the House to deal expeditiously with the bill on second reading and send it to committee. Hopefully, we will consider there five or six amendments which will strengthen the bill from the farmers' point of view and will certainly do nothing to harm the consumer who has to consider food prices at the retail level.

Mr. John Wise (Elgin): Mr. Speaker, it is a pleasure for me to participate with other hon. members in this debate on the stabilization bill. I wish to recognize the presence of the Minister of Agriculture (Mr. Whelan) this afternoon and throughout this debate, as he was in the House last Wednesday and Thursday when the bill was before us. Bill C-50 amends the Agricultural Stabilization Act which was first passed 17 years ago, in 1958, and replaced the 1944 agricultural prices support legislation with the Agricultural Stabilization Board. The objective of the board is to help producers obtain a fair share of the national income and achieve an equitable balance between the prices they receive for key agricultural products and the cost of goods and services which they buy. I am certain all hon. members of this House—certainly those who have participated and will participate in this debate—will agree that the objective of the board is indeed a very noble and worthy one.

● (1640)

Having said that, I ask the government how effective this act has been during the past 17 years in providing producers with a fair return for their labour and investment. How effective has it been in providing a fair relationship between the price received and the cost of the goods and services which they buy? The answer to these questions has frequently been communicated to the government by producers, farm organizations and commodity groups in all parts of this great country and might be summed up as, "Not very effective."

Where does the responsibility rest for this neglect and ineffectiveness? We cannot blame the producers. They have met countless times and made numerous requests for changes. Compared to other segments of society, their management and efficiency is almost unequalled; I am sure the minister would agree with that. We cannot blame the management of the board, either. Without hesitation, and with great pleasure, I acknowledge for the record my appreciation of the excellent contribution made by Mr. Sid Williams, former chairman of the stabilization board and former deputy minister of agriculture. The responsibility for the neglect and ineffectiveness must rest squarely and solely on the doorstep of this administration and those who comprise its membership.

The Canada Year Book for 1973 indicates that the stabilization board has a revolving fund of some $250 million, and that under the act the annual cost of stabilization programs has averaged approximately $85.5 million. Thus, one must conclude that $164.5 million has remained annually in this fund unused, unutilized, kept safely in the treasury and out of the hands of the producers for whom it was appropriated by parliament. On the average, approximately 30 per cent to 35 per cent of these funds has been paid out to producers of key agricultural products, most of which—if not all—are for essential food products for support programs. I submit, Mr. Speaker, that a pay-out of 30 per cent to 35 per cent might accurately describe the effectiveness of the past performance of this legislation. Needless to say, a 30 per cent to 35 per cent average, by any standard, could be described as somewhat less than a success.

The existing act provides that for each year the board must support, at not less than 80 per cent of the previous ten-year average market or base price, nine commodities—cattle, hogs, sheep, butter, cheese, eggs, wheat, oats and

barley—which are produced outside the defined area of the Canadian Wheat Board. The board may, by order in council—and has at one time or another—support many farm products in addition to the original nine, some 28 in all ranging from such essentials as fluid milk, dairy products and potatoes to sunflower seeds and sweetheart roses. I have some doubt about supporting the last product. Perhaps when the minister sums up he will tell us why the government and the board saw fit to support sweetheart roses.

Support levels on the few commodities covered, amounting to 80 per cent of the ten-year average, during the early stages of the program provided some safeguards and no doubt some stability. Support levels of 90 per cent of the five-year average, as proposed in Bill C-50 during periods of a stable economy, low inflation and stable input cost would, of course, be an improvement over the old plan. But do these conditions exist? Certainly not. They have not over the past few years, and they certainly have not existed particularly during the last two to three years. Consider, for example, that the farm cost index has increased by 202.8 per cent since the best year of 1961, and that the consumer price index has increased by 175.8 per cent. The same report that gives these figures indicates that the 1975 farm net income will likely drop by 12 per cent.

We have, unfortunately, experienced under the government a very unhealthy economy, record high inflation—farmers suffer severely during times of high inflation—and record high farm input costs. It is because of these prevailing conditions and the failure of the government to respond to this situation that both the old program and the new one proposed in this bill will provide little, if any, assistance to producers of agricultural products.

This bill has been paraded by the government as the perfect solution, the be-all and end-all of stabilization programs, a fine example for all others to be patterned on, and the international leader. In an attempt to fool producers and others, this government should recognize—and I am certain that some government members do—that they are only fooling themselves.

Those of us who have maintained a grass roots interest in the primary sector of the agricultural industry and producers and producer organizations in all regions of this country have been quick to recognize the shortcomings of this bill. It falls far short of what is required. It falls far short of what has been requested and fully expected in order to regain confidence and stability in the industry. Long-term stability and adequate profit margins are absolutely essential if we are to have an adequate supply of food products not only for all Canadians but in order to fulfil our role as a producer of food for the underfed and the hungry of the underdeveloped countries of the world. Farmers cannot survive on green grass, clean air and sunshine.

It is simply unbelievable, and indeed something that we as Canadians cannot be proud of in this day and age of advanced science, technology and know-how—with the availability of rich agricultural land; with the will, the urge and the desire of our farmers to produce—that we as Canadians are not self-sufficient in all types of agricultural products that can be grown on Canadian soil. An earlier

[Mr. Wise.]

speaker indicated that he was unable to buy Canadian butter. We import huge amounts of butter. The importation of specialty cheeses is another prime example. In fact, the present situation regarding the import of specialty cheeses is intolerable, and the increasing volume of these imports is making dangerous inroads into the production of industrial milk.

I am certain that if time permitted, many similar examples could be cited. Many examples could also be cited of the failure of this government to act promptly and adequately, or even to act at all. This has led to hardship and even disaster for producers and others in the industry. No government stabilization plan, certainly not the one before us today, can be highly successful unless fair protection is given readily against large volumes of lower cost imports which often stem from heavily subsidized countries or from countries with natural and climatic or other advantages. Tariffs on agricultural products are only about one-half of those on industrial products—8 per cent in comparison to 16 per cent.

Many people believe that producer subsidies are sufficiently high at present. This thought can be argued and debated, but I submit that it is certainly not true. It is generally acknowledged that our American competitors have a 20 per cent to 25 per cent advantage, mainly because of their government support programs. Agricultural subsidies in Canada, in most cases, are a fraction of those of our competitors. The per person subsidy for agriculture in 1968, for example, in Canada was $350, compared to $1,300 in the United States, $1,000 in the United Kingdom and $1,500 in Switzerland.

I recognize that some changes have occurred since that time, but no marked difference has resulted. Regardless of that, consumers should not be upset because they have benefited both by an adequate supply and, more than likely, by reduced prices in the marketplace. These figures should be mentioned from time to time, Mr. Speaker, in an effort not only to keep consumers accurately and completely informed but also to prevent a division or gulf of misunderstanding between farmers and the rest of the economy about the reason and the need to assist and support the Canadian agricultural industry.

● (1650)

True, the bill before us updates the original legislation. It could be improved by further reducing the five-year period to four years or to three years, or perhaps even less. Similarly, the 90 per cent provision could be increased. But whichever way it might be further improved by alteration, this can be said: neither the old bill nor the amendments contained in Bill C-50 will provide the support and stability that is needed and expected by Canadian producers.

Once again, because of lack of leadership and action by this government on national problems, the provinces are beginning to move into this area with various support programs. They recognize that something has to be done. I only hope that what appear to be short-term advantages do not result in long-term disasters caused by the failure of this government to face what is really a national responsibility.

Consider for a moment the importance of the industry in terms of the national economy. Farm assets in 1951

totalled $9 billion; by 1971 they had increased to $24 billion. Farmers spent, on goods and services, $1.5 billion in 1951; by 1971 the amount so spent had increased to $3.7 billion. About one-third of our labour force is involved with food and agricultural production. Twenty per cent of the gross value of our manufacturing industry is based on agriculture. Farmers, in 1970, spent $131 million on fertilizer; in 1971 they spent $605 million on farm machinery and another $282 million on oil, gasoline and lubricants, making the agricultural industry one of the biggest consumers of gas and oil products in Canada today. Another $644 million was spent on livestock feeds, $325 million on interest payments and $338 million for farm help. Canadian farmers are major contributors in the establishment of export credit. The figures for 1971 show record-breaking exports: we exported more than $2 billion worth of agricultural products. By 1974 that figure had doubled to nearly $4 billion.

In summary, let me say this: if governments ignore or pay little attention to the importance of the farm economy, we must make it clear to them in no uncertain terms that they are failing to deal fairly with a major group in the Canadian economy. I have the feeling, Mr. Speaker, that Bill C-50 and in fact all agricultural bills only interest the 6 per cent or 7 per cent of our population engaged in food production; that is to say, agriculture bills do not interest most people but interest only the dwindling number of our society who provide the food for our entire nation and, indeed, for people beyond our borders. The real truth of the matter is that good agricultural legislation which benefits producers, benefits the entire economy and provides significant advantages to all consumers.

I am aware that many farm associations are anxious to make presentations, to make their views known on this bill and to provide some input at the committee stage. These include the Canadian Federation of Agriculture and the National Farmers Union, to name but two. Such opportunity must be provided.

Marketing boards and farm marketing commissions have functioned reasonably well in recent years and have greatly assisted producers to obtain improved markets, greater stability and fairer prices. These marketing boards and commissions have provided secure supplies of high quality products to consumers at very reasonable prices. The situation is that marketing boards, regardless of their usefulness and contribution, cannot supply adequate stability on their own. This bill, even though an improvement over its predecessor, falls far short of providing much in the way of either short or long-term stability. In closing, I am hopeful that at the committee stage recommended changes and amendments will be acceptable to the minister, to his staff and to the government.

ROUTINE PROCEEDINGS

[*Translation*]

HOUSE OF COMMONS

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE TO STUDY GREEN PAPER ON IMMIGRATION

Mr. T. Lefebvre (Pontiac): Mr. Speaker, I should like to ask the unanimous consent of the House to revert to motions so that I can announce the establishment of a special joint committee of the House for the consideration of the Green Paper on Immigration Policy.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*English*]

Mr. Lefebvre: Mr. Speaker, I therefore move:

That the members of the House of Commons on the Special Joint Committee on the Green Paper on Immigration Policy be Mr. Alexander, Mr. Beaudoin, Miss Bégin, Mr. Brewin, Mr. Daudlin, Mr. Epp, Mr. Friesen, Mr. Guay (St. Boniface), Mr. La Salle, Mr. Lee, Mr. MacDonald (Egmont), Miss Nicholson, Mr. O'Connell, Mr. Prud'homme and Mr. Rompkey; and

That a message be sent to the Senate to acquaint Their Honours thereof.

Motion agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe North (Mr. Rynard)—Health—Alleged failure of products of Connaught Laboratories to meet standards—Government action; the hon. member for Winnipeg North (Mr. Orlikow)—National Defence—Overhaul of Boeing 707s by Transair—Suggested consideration of employees of Canadian aviation and electronics; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Communications—Abandoned Pine Tree radar base—Government action to prevent damage—Inquiry as to possible future use.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

NATIONAL HOUSING ACT

MEASURE TO ENABLE HOUSING REHABILITATION FOR PERSONS OF LOW OR MODERATE INCOME

Mr. Walter C. Carter (St. John's West) moved that Bill C-227, to amend the National Housing Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Order, please. I think the hon. member knows that the Chair has expressed some reservations about this bill inasmuch as it seeks to remove from the statute a specific subparagraph and substitute for it another involving the expenditure of funds which come under the statute. Accordingly, there is some question whether the bill infringes upon the financial initiative of the Crown. If hon. members want to contribute to that point of order, the Chair will listen to their representations and reserve final decision about the orderliness of the bill. We could then allow debate to continue for the normal time and perhaps make a decision some time later.

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I submit that the bill standing in the name of the hon. member for St. John's West (Mr. Carter) is highly irregular because it seeks to repeal subparagraph (ii) of section 34.1(1)(a) of the National Housing Act and substitute another paragraph the effect of which, if passed, would extend to the entire country the benefits of the program involved. The bill, if passed, would entail the expenditure of more than $1 billion. I submit that there are dozens of rulings of various Speakers of the House which say that only a minister of the Crown may propose a bill which involves the spending of public money. Citation 249 of Beauchesne's Fourth Edition reads in part:

[*Translation*]

And I quote:

249. (1) "No cases can be found of any private member in the Canadian Commons receiving the authority of the Crown, through a minister, to propose a motion involving the expenditure of public money.

[*English*]

It is obvious, *prima facie*, that the bill does not conform to the fundamental rule which says that only ministers can introduce bills involving the expenditure of public funds. The object of the bill, as it is said, is to—

● (1700)

[*Translation*]

—to repeal the limitation therein and to apply it to the whole country. Considering that thousands of units must be renovated, we can easily infer that public expenditure will be greatly increased. That is why I ask the Chair to declare this bill out of order and inadmissible.

[*English*]

Mr. McKinley: With regard to the matter Your Honour has raised, I think your assessment is what would be desirable. The idea incorporated in the bill is what the hon. member for St. John's West (Mr. Carter) is desiring to put before the House. I suggest we have this debate for an hour and it could then be ruled in order or out of order, whichever Your Honour sees fit. Your Honour's initial suggestion that the decision be made after a one-hour debate on the subject is preferable at this time.

Mr. Speaker: If there is no other hon. member who wishes to make a contribution to the point of order, perhaps it could best be expressed that it appears on the face of it that there are certain difficulties such as those described by the hon. member for Matane (Mr. De Bané). However, if the Chair were to reserve its decision perhaps the debate would bring forth, from members on all sides, explanations of the operation of the bill which might in fact persuade the Chair otherwise. The preliminary indications are that there would be great difficulty from the technical point of view because of the arguments made by the hon. member for Matane. Perhaps the best course to follow is for the Chair to reserve judgment, allow the debate to take place and see if there is anything during the course of the debate to persuade the Chair that the bill is in order.

Mr. Carter: Madam Speaker, I apologize if my motion is in doubt. However, I am not too familiar with parliamentary procedure. I am more concerned about the thousands of people suffering the effects of poor housing, people with no assistance to improve their housing. I am more concerned about that than the niceties of whether technically the bill, in the opinion of some hon. members, is not in order.

The intent of the bill is to extend the benefits of the Residential Rehabilitation Assistance Program to families living in other than Neighbourhood Improvement Program areas or areas covered under the rural and native peoples housing policy as announced by the minister in March, 1974. The objective of the Residential Rehabilitation Assistance Program is to improve the housing conditions of low and moderate income people by assisting in the repair of their existing dwellings.

As Your Honour is aware, families with low incomes residing in designated NIP areas may borrow from the government under the Residential Rehabilitation Assistance Program up to $5,000, half of which is forgiven. This money is available to restore their homes, bringing them up to an acceptable standard having regard for their health, comfort and safety. The program could be of considerable benefit to our people except for the fact that its application is limited to families residing in NIP areas or those covered under the rural and native peoples housing policy.

If we accept the principle that all Canadians are entitled to decent housing—and surely this House must adhere to that principle—then the government's policy with respect to funds available for house repair and rehabilitation under the RRAP program discriminates against an estimated one million Canadians who, through no fault of their own, are forced to live in and raise their families in homes and under conditions that are totally unacceptable and far below the nationally accepted average. I make that charge on the basis of problems that exist in my city of St.

John's, Newfoundland, where we have one designated NIP area.

St. John's is unique in many respects, not the least of which is its housing stock. This is due in part to the fact that practically all the houses are of wooden construction. They are of a type and quality that is rare in North America. A large number of these fine old family homes are in urgent need of repair. As the gabled roofs and the bay windows rot, the occupant's income only enables him to go to the hardware store to buy cosmetics to replace the rot. That, of course, is no solution to the problem facing a large number of people who live in and try to raise their families in some of these old houses.

Having regard to the fact that in the majority of cases these homes are occupied by families with limited financial resources, it follows that with the absence of the Residential Rehabilitation Assistance Program or some other government assistance, these homes will within a very short time deteriorate to a point where they will be beyond hope as far as rehabilitation is concerned. That is why it is essential that the amendments to the National Housing Act which I propose in my Bill C-227 be accepted and implemented by the government as soon as possible.

I firmly believe that the government must recognize that in many of our urban and rural areas the benefits of the rehabilitation program are badly needed. Today there is hardly a major city in Canada that is not threatened with almost total destruction of older neighbourhoods under the guise of urban development. So-called progress has destroyed the old and unique and often aesthetically pleasing but deteriorating communities and has replaced them with parking lots, commercial development and municipal infrastructure designed to service industry and the automobile.

In many parts of Canada a visual sense of the past is rapidly being destroyed. It will continue to fall victim to the bulldozer unless and until the government assumes its responsibility to all Canadians, not just those who live within the NIP areas. In a large number of cities—and I can speak with some authority about what is happening in the historic city of St. John's—a lot of housing stock that should have another 15, 20 or 25 years of life is falling down. These homes are being threatened by the bulldozer and by people who want to buy the property and speculate, and are able to do so only because the occupants are unable to raise sufficient money on their own to bring the houses up to an acceptable standard.

● (1710)

This is why it is important that the government should initiate a program extending the present arrangements, whereby Canadians living on low and middle incomes can qualify for assistance as is now the case under the Residential Rehabilitation Assistance Program under which a person can borrow up to $5,000, half of which is forgiven and the other half of which is amortized over a number of years at a reasonable rate of interest. The only alternative presently open to these people is to try to obtain money under the home improvements section of the National Housing Act. I am finding that in my own city the banks are not co-operating as they should with people who apply for assistance under this section of the act. The banks are endeavouring to persuade them to apply for a conventional loan at the regular rate of interest.

I think this is grossly unfair since people in the income brackets I have mentioned find it extremely difficult to pay off their loans even at the rate of interest prescribed in the Home Improvement Loans Guarantee Act. They are being invited to borrow money at higher rates and this, to my mind, borders on the criminal. Be this as it may, the home improvement section of the National Housing Act is not working: it is not filling the role it was intended to fill. The people I have in mind are not financially capable of meeting the payments or of retiring even a $5,000 loan in a reasonably short amortization period when it bears the rate of interest regularly charged by the chartered banks.

Not all our people wish to live in suburbia. Not all our people wish to live in new bungalows in subdivisions. Many Canadians still want to live in the older parts of our cities. Some of them cannot afford cars; they cannot afford the cost of private transportation to their jobs. I think it essential that they should be given an opportunity to remain in the neighbourhoods with which they are familiar and which are convenient to them. This is why it is important that serious consideration be given to removing the discrimination which presently exists.

There is widespread approval of the principle that all Canadians are entitled to decent housing. Why should people in all parts of our cities not be entitled to the assistance in rehabilitation of housing which is now available to those living in designated NIP areas? In Newfoundland, where approximately 500,000 people live, I can only think of two designated neighbourhood improvement areas. One is in the riding of my hon. friend from Humber-St.George's-St. Barbe (Mr. Marshall), at Cornerbrook, and the other is in St. John's West, the constituency which I represent. No one in other parts of the province can avail themselves of this assistance.

I realize there are certain exceptions and that the governor in council has the power to designate other areas, but this arrangement is not working either. This morning I had occasion to talk with a person who worked with CMHC in a rather senior capacity. He told me his office was swamped with people trying to get assistance under the rehabilitation section of the National Housing Act to enable them to undertake necessary repairs to their homes. They had to be turned down because only those living in designated areas could receive assistance.

In conclusion, I would again strongly recommend that the government and its supporters allow this motion to come to a vote. It is important for the future welfare of a large number of Canadians: I believe there are around a million who are living in homes under conditions which are unacceptable. In St. John's, I suggest there are a couple of thousand houses which are not up to acceptable Canadian average standards. These are homes which could, without any great expenditure, be brought up to an acceptable standard and provide another 15 or 20 years of usefulness with a little help from the government along the lines of that provided under the RRAP program. I hope the government will see fit to accept the proposal I am making, and that having done so it will implement the changes in the act as soon as possible to enable people to provide themselves and their families with better accommodation.

● (1720)

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Madam Speaker, I should like first of all to take part in this debate on the admissibility of the amendment introduced by my colleague, the hon. member for St. John's West (Mr. Carter).

In my opinion, Madam Speaker, this amendment should be allowed. In fact, according to my interpretation of our standing orders, Beauchesne's Parliamentary Rules and Forms, and Bourinot's, no private member in this House may introduce an amendment which would result in either depriving the government of additional funds, or causing additional expenditures of funds by the government, which is precisely the purpose of my colleague's amendment. However, since 1957, and in 1958 in particular, a number of precedents were created in the House when a private member was allowed to introduce an amendment which resulted in either limiting the input of additional funds in the public treasury, or causing the government to spend more. And I feel the most recent instance is related to the last budget bill, when a number of amendments which had been introduced by opposition members were deemed in order by the Chair. Thus I believe, Madam Speaker, that the parliamentary procedure, as it is oriented now, generally expands the members' capacity to move amendments to this effect. In my opinion, we should support the one we have before us now.

On the other hand, as regards the very content of the amendment proposed by my hon. colleague, I am particularly anxious, Madam Speaker, to make my views known, because in my opinion the amendment deals with one of this government's most important priorities.

I would be remiss if, before getting to the content of the amendment, I did not reiterate certain statements of policy which have been recently stated anew by the Economic Council of Canada in their report entitled:

"Toward More Stable Growth in Construction"

The Economic Council of Canada pointed out specifically in their recommendation No. 7 that we should change appreciably our approach to the social housing problem. The council said, and I quote:

> We recommend that future low-income housing efforts be organized and funded so as to ensure a smooth growth path over a period of years, on a regional basis, independent of any swings in other residential or nonresidential construction.

I agree with that approach and look forward to seeing the government pass a law putting it into force. Indeed, until now we have always insisted on having housing construction or housing starts follow economic fluctuations. In times of economic growth, the government holds back on its budgets; in times of economic stabilization, the government pours additional amounts into construction. This has often resulted in slowing down public housing; in the final analysis, the first to suffer the consequences are those Canadians whom my colleague described a while ago.

I should also point out to my colleague the Dennis-Fish report on the low-income housing market in Canada. This report, published in 1972, contains a passage I should like my colleagues to recall. It is a quotation taken from the report of the Castonguay-Nepveu Commission of Inquiry into Health and Welfare published in 1971.

I quote an extract which, I think, underlies the philosophy of the amendment proposed by my colleague in the House this afternoon. The Castonguay commission stated:

> Therefore, to recognize access to housing as a universal right implies a direct intervention of the state in the whole industry which still today depends nearly entirely on private enterprise. As the universal access to education and care has required the state to take the responsibility of those sectors instead of private enterprise, so the recognition of the access to housing as a universal right implies a similar direct intervention in housing services.

Madam Speaker, I think it is important that our conception of the right to housing recognizes for every citizen of the country equal access to adequate housing conditions. And the amendment proposed by my colleague this afternoon underlies that philosophy which has been reaffirmed in two very recent reports tabled in this House.

Madam Speaker, I would like to draw your attention on a particular aspect of the amendment proposed by my colleague, namely the philosophy that is behind the joint program. As you are aware, Madam Speaker, our philosophy in the area of social housing has changed. In the past, when we realized that people in our country needed the support of the government to have adequate housing, we immediately thought in terms of high-rise housing for these people. In the sixties, this approach contributed to create what I call "the concentration of poverty".

One needs only visit the first projects which were implemented under those programs. I have a few in mind and I shall mention for instance the Dozois plan, in Montreal, which is now a strange thing in the city of Montreal, in the sense that we thought we could meet the needs of those people when we initiated such programs in a given area of particularly high density. So that at the same time were creating ghettos of poor in the city areas where private enterprise and the municipal and provincial governments were not able to provide decent housing for these people. Our philosophy has considerably changed because we realize today that the best way to respect adequate urban life conditions and, mostly, to protect a certain quality of urban life was to have a much more practical outlook on social housing.

Madam Speaker, the RRAP program is an application of this outlook. Indeed, one starts with the principle that, in its normal composition, the urban fabric must be respected. All of us who live in cities realize that on certain streets, we do not see only elderly people, younger people, middle-aged persons or citizens having the same profession. The urban fabric is very diversified in its composition and in its social origin; when a government considers social housing as a priority, it must respect the urban fabric. In renovating their districts, in ensuring that they do not literally rot down, in grappling with signs of ageing of neighbourhoods, small urban areas can protect their own urban fabric structure.

Madam Speaker, if you ever had the opportunity, like some of my colleagues, to visit certain European cities that were devastated during the last world war, you probably noticed as I did that those neighbourhoods are particularly monotonous. Indeed, all those neighbourhoods were rebuilt at the same time. Many of my colleagues pointed out very opportunely the monotony of suburban living.

Why? Because all those houses were built according to the same plan, the same alignment and at a time when similarity was the order of the day in both architectural and social concept.

Madam Speaker, questions are being asked nowadays about the value of certain old neighbourhoods. One knows indeed that in such neighbourhoods, there usually exists a community tradition. Our cities have not become metropolises overnight. For instance, less than 50 years ago, there were about twenty municipalities within the territory of the island of Montreal. All those municipalities had a city hall, municipal services and an institutional structure to sustain a community life. And the same can be said of all the large Canadian cities built 50 years or more ago.

Now one realizes today that the development occurring in suburban cities prevents us from re-creating the same quality of community life that still exists in old neighbourhoods. If we let them grow old and worn out, as can be seen in certain areas in this country, a time will come when it will be impossible to recover the ancient housing structures; it will then be impossible to re-create that institutional life.

I would be remiss in not reminding the House the degree to which the era of polyvalent schools during the sixties constituted an extension of that urban bigness. Nowadays we realize that the professor-student relationship should be revalued, as should the employer-employee or the citizen-city relationship, because there is an irreplaceable quality of life within an already built neighbourhood.

Madam Speaker, the NIP program as set up is designed precisely to protect that quality of life in neighbourhoods that my colleague described as presenting particular characteristics.

That program, Madam Speaker, is particularly timely in that it contains one of the most interesting innovative aspects there can be. I will limit myself to drawing the attention of my colleagues to National Housing Act section 15 under which a non profit corporation can buy certain abandoned and decrepit houses, receive loans, grants, and rehabilitate them and make them available to people or groups of citizens who need public assistance to meet their needs in decent housing conditions.

As far as I know, there are now only three projects of that kind in the Montreal area—one in the riding of Saint-Henri, another in the riding of Saint-Jean, and one underway in the riding I represent.

The initiative of that project comes mainly from people in the neighbourhood interested in participating in the effort to rehabilitate the neighbourhood. Those people from a non-profit corporation, as set out in the legislation, and explore themselves the housing market to find structures that are abandoned or could be bought at a relatively moderate price. Once that is done, they assess the orientation of the neighbourhood, that is to say they check to see if the territory is registered, whether it is still residential-oriented, and particularly whether the project is within an overall approach of rehabilitation of the neighbourhood.

Indeed, Madam Speaker, I think it would be utopian to rehabilitate a house or blocks on a street or in a neighbourhood that are eventually intended to be left open to land speculation or if it is intended to leave the district with all kinds of aging industrial structures, in other words without devising a global approach of the district rehabilitation. In fact, not only should aging structures be renovated, but those districts should also often be provided with urban services which have become necessary in a context of planned urban life. Mini-parks often have to be created, and districts also have to be provided with adequate public services. For instance, the whole urban transportation network has to be reworked in such districts in order to connect the district being revitalized with working areas, professional business areas where most of their residents will have their working place.

Our approach to district rehabilitation therefore has to be a global one, and should not be aimed at dwelling structures specifically. It should also encompass industrial structures and urban commodities.

All in all, I think the amendment as it stands would only extend the program to the whole land without in my opinion respecting its basic philosophy.

I think my colleague will realize to what extent I and several of my colleagues share his views on the priority to be given urban rehabilitation. But I think that if we are to ask ourselves what the outcome of that program was, we should also strive to recognize the efforts of municipalities to share in its implementation.

Let me point out, Madam Speaker, that within the city of Montreal our whole approach to those problems was reconsidered and the policy objectives of the city are of course not just to rehabilitate the residential structures. For example, the city of Montreal has also established a program of rent subsidies; it means that, when you have restored a house, you have not necessarily contributed to give this housing to poor people. You must also be able to help them meet the additional costs of housing due to these renovations.

● (1730)

For, if an owner invests $60,000 in the renovation of a house, he will of course increase the rent at the end of the year, so that he may recover the parts of the costs which have not been covered by a loan or a subsidy. For that reason, you must also give a subsidy to the tenants who live in this house. Furthermore, as I mentioned earlier, we must have provisions allowing us to intervene on a full area. For example, we must have targets in our renovations. We must also undertake the renovation of two or three housing structures which seem to have priority in a street, so that the structures which are going to fall into disrepair will be looked after as soon as possible.

We must also think of passing provisions to release land around residential areas, so that life in the open should be possible and appropriate parks could be organised. We must also be able to drive out of these areas all the undesirable elements which may have settled in the past, when our municipal by-laws were very flexible. In other words, we must have a global program of district renovations.

I believe that if we must bring an original contribution to this debate, we must rather aim at improving our programs on this global basis, and not at limitating them only to housing structures, because finally only a minimum part of the objective would be thus reached.

In such a highly populated area as the city of Montreal, more than 50,000 units would need renovation to meet the standards of the housing code. We realize, Madam Speaker, that all these housing units cannot be renovated at the same time and without some planning. I believe that RAPP provisions as they now stand also call upon community groups.

I would suggest that my colleague make a try in his province. I suggest he urges interested citizen groups in his constituency to regroup into a nonprofit corporation and use that section of the act. It is now realized that the amounts voted, especially for the implementation of that aspect of the program, were not entirely used, and certainly could create more healthy housing, if nonprofit groups were established to meet the needs of certain segments of the population.

Of course areas as designated by the Governor in Council create difficulties. This may not promote an overall, across-the-board program as might be desirable, in the light of the right to housing referred to earlier. Nevertheless, land development cannot be allowed to proceed haphazardly, especially in urban areas. Urban development cannot be left entirely to the whims of owners. Some invest in land, and let depreciation accumulate to the extent of the money invested. Others would show more decency if coercive provisions forced them to renovate their buildings when needed.

In my view, provisions promoting urban planning by municipalities, as they stand in the bill, favour land use planning, which is so vital if our cities are to conserve a measure of unity, especially in older districts.

I welcome the attempts made regularly by some of my colleagues to emphasize the need for a new approach to problems. If a number of colleagues proposed bolder reforms in our approaches, I believe we would meet one of the most urgent priorities of this decade, the promotion of housing as a basic right of every Canadian.

[*English*]

Mr. John Gilbert (Broadview): Madam Speaker, I think the hon. member for St. John's West (Mr. Carter) is to be commended for bringing forward Bill C-227 because he draws to the attention of the House the shortcomings of the rehabilitation assistance program when it is confined to persons entitled to those moneys within the neighbourhood improvement areas.

I was rather surprised that the Parliamentary Secretary to the Minister of State for Urban Affairs (Mr. De Bané) would attempt to block discussion on this very important bill, because if we have a crisis in Canada today it is surely the housing crisis, particularly when one realizes that there are 800,000 people unemployed and that the Minister of State for Urban Affairs (Mr. Danson) says the target for new starts should be 210,000 just to keep up with present needs, while at the same time the latest news issue from Central Mortgage and Housing Corporation indicates that housing starts for the month of February dropped to 156,000 on a seasonally adjusted basis, and that in January the figure was no more than 165,000.

We have a problem in respect of new starts and a problem in respect of rehabilitation and home improvements. May I remind you, Madam Speaker, that the only two programs we have with regard to rehabilitation are the one contained in section 31(1) concerning the residential rehabilitation assistance program, and the home improvement program under the National Housing Act.

I might remind the House that the home improvement program under the national housing provisions has been a dismal failure, which of course was pointed out by the hon. member for St. John's West. That program was financed through the provinces and many people were not aware that they could go to the banks for money for home improvements or, if they were aware of this, perhaps they thought that the interest rate would be too high. Many people who were completely ignorant of the situation went to finance companies where they paid almost double the rate they would have been charged for home improvement loans at a bank. This has created a very bad situation.

The hon. member for St. John's West, and all of us in this House, uphold the proposition that decent housing is a matter of a basic human right for all Canadians. We also consider that it should be decent housing at an affordable cost. Therefore we have to look not only at new housing but at the rehabilitation of houses. The Minister of State for Urban Affairs has said that there are at least 800,000 homes across Canada that are in need of repairs and rehabilitation. The fact is that this need is felt in every city, town and village right across the country. Therefore it is a matter of urgent and pressing necessity.

● (1740)

I almost think that if I were to argue whether or not this bill is in order I would fall back on the peace, order and good government clause in the constitution because if we are to have good government especially in times of unemployment, and a housing crisis, we must be given leadership by the government, leadership which we do not have now. As a result it is absolutely necessary that the government provide funds to take care of new housing starts and to take care of repairs and rehabilitation. I think that this is the time to put that money into the economy and thus help the unemployment situation.

The residential rehabilitation program has got off to a slow start since it was passed in 1973. I think one of the reasons, first of all, is that it is confined to people in the neighbourhood improvement areas, and also it is subject to a great deal of bureaucratic control across the country. Obtaining the necessary agreements has been a delaying factor in the implementation of the program. It is a good program because it has a forgiveness clause in the loan conditions, and moneys are amortized over a fair period at a reasonable rate. Therefore I think we should use the idea of a low interest rate with a long amortization because it is necessary that people be given money to rehabilitate their homes and, at the same time, not have a great financial burden imposed on them. This applies to people right across the country. It applies to Indians and Eskimos, it applies to old age pensioners, to widows and widowers, and to single men and women.

People must be given help in creating the type of home which will provide them with the best quality of living, since it is the home atmosphere that determines the social conduct of people within a community. We are paying at a

very high price for housing because of the social consequences flowing from a shortage of houses and their poor state of repair. It is not only the physical structure that must be repaired but some times there is such a thing known as social obsolescence.

As we improve our living standard the old homes that we have may be inadequate to help us attain some of the social benefits that are necessary for happiness within the community. It may be that more space is needed for a car. The occupants of a house may need space for a hobby room or a music room, or they may need more space for a garden. In fact, maybe we are not talking about obsolescence and repair, but rather about replacement, and that is why it is so important.

Nevertheless, structural repairs are important. Let me give you an example. In my riding a group of houses in the lower end of my riding were built in 1910 at a cost of $1,500 a house. These houses were occupied until two years ago by people on very low incomes, many of whom needed social assistance to pay the rent. What happened is rather striking. Developers who moved into the city of Toronto acquired this group of row houses. They tore the insides of the houses down, and replaced everything except for the individual structure itself. However, these houses are now selling for between $70,000 and $75,000. The down payment on them is no less than $20,000, and I think the first mortgage is at about 10½ per cent with the second mortgage at 12 per cent.

This is what is happening in many of our large cities. People on low and moderate incomes are being driven out of homes which should be repaired for them, and the vacated homes are renovated and rehabilitated for people who have money and who are moving back into the city to attain what is known as social status. This is what is happening across the country.

When I heard the hon. member for St. John's West speak, I was reminded of housing in Newfoundland and the maritimes. Today I came back from the maritimes where I saw some of the homes there. A successful building scheme down there is what is called shell housing. We must put more money into shell housing because people must have money as they go on with the construction of their homes. It is onerous to assume a mortgage these days at 10 per cent or 10.5 per cent, with the heavy interest payments that people must meet. Therefore I urge the Parliamentary Secretary to the Minister of State for Urban Affairs to speak to the minister.

The minister is a man of fine instincts, a man of decent qualities. It seems to me that he intends to do a good job in housing, but he is not getting the necessary support of the Minister of Finance (Mr. Turner). He does not want to see 156,000 starts for February when his target is 210,000 and he does not want to see people living in poor quality homes. He needs the necessary money and the necessary co-operation.

In committee the other day the minister castigated the trade unions for not contributing to the housing fund scheme. They should contribute, and so should the banks and the insurance and trust companies. The minister should put a high priority on housing starts and the rehabilitation of houses so that every year he has a program and commitments from the financial institutions. If it means pension funds, then he should conscript all financial institutions into contributing to the program so as to ensure that he has the necessary moneys. That is the way in which it must be done.

Also, a reasonable interest rate should be established. We cannot consider an interest rate of 10 per cent or 11 per cent, especially for pensioners. How can one impose that on a pensioner, or on an Indian or Metis? How can one impose that rate on a father or mother who has other commitments? The Minister of State for Urban Affairs said that he would like to see the housing budget of any person not exceed 22 per cent of income, and I agree with him. But in too many cases it far exceeds 22 per cent. We find people with an income of $3,000 or less spending up to 50 per cent of their income on rent. Therefore it is a good thing that the hon. member put forward his bill today because he has underlined the deficiencies in our present housing program.

● (1750)

I hope that the Minister of State for Urban Affairs, the Minister of Finance and all hon. members appreciate the seriousness of the housing crisis in Canada, and what a tremendous help its alleviation would be in solving the unemployment problem, while providing a better quality of housing so that people can live in decent housing at affordable cost.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I shall certainly be brief because I have only seven minutes left. I would still like to congratulate the hon. member for St. John's West (Mr. Carter) for having introduced Bill C-227. As to whether the bill is out of order or not, I was somewhat surprised to hear the hon. member for Matane (Mr. De Bané) ask the Chair to declare this bill out of order. The hon. member for Matane has been a member of this House for several years and I found the way in which he wanted to get rid of this bill very strange. As all other members, he is well aware that bills introduced during private members' hour have a life expectancy of only one hour. This bill will necessarily be killed by the clock like all the others, Madam Speaker, but it will give us the opportunity to express our opinion on certain subjects about which we could not otherwise talk in this House.

In my opinion, this bill is very interesting, as the previous speakers have proved, since it suggests an amendment to the National Housing Act, an amendment wanted by all the population, especially the low income earners who wish to obtain a dwelling. When I speak of a dwelling, I mean a family dwelling, and this afternoon, we have heard mostly about the programs and the needs of the large centres.

I know that there is a pressing need of it. What the members of the House do not know, it is what is needed for rural communities, villages and towns and in rural areas as a whole.

If the government were to accept this amendment, it would be required to introduce legislation allowing low income workers to repair their homes, especially in villages and in the country. If they could take advantage of the plans proposed by the Central Mortgage and Housing

Corporation to rehabilitate their homes, it could be possible to improve them rather than build new ones. Nowadays they have to pull down old houses and replace them by new ones if they want to get a loan from the CMHC.

I believe that we are wrong. We should give priority to houses with a good structure and then give a chance to people who could renovate them. That would cost about one third the price of a new house. In my opinion, this amendment to the legislation will solve in part the family problem of low income families.

Madam Speaker, the interest issue has been raised. I believe it should be possible for those people who need low price houses to borrow money bearing a low rate of interest. What happens today? The low income families anxious to buy a house are disadvantaged because of interest rates, because those are established according to the paying capacity of the borrower; in other words, the lower the income of the borrower, the higher the interests, and that should be the contrary, if we want to work in a social spirit to help those people.

I will restrain myself to those few comments because another member is asking me for two or three minutes. I would like to call the attention of the government to the need for social interest rates for those people and the deductibility from their income tax of the interest paid when they buy a house.

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Madam Speaker, I always get in on the tail end of everything. In the couple of minutes I have left I would like to commend my hon. colleague from St. John's West for bringing in the bill. I participated in a debate on this same topic, as did the hon. member for Matane (Mr. De Bané), just a couple or weeks ago.

I think we should consider the aim of residential rehabilitation. It points out the importance of residential rehabilitation in Canada. The aim is to bring housing up to the minimum standards of health and safety. Everyone can realize the implications this brings to improving housing for low income people in Canada.

I would like to point out that the Dennis and Fish study on low income housing—and I have said many times that it was a good study on neighbourhood improvement—indicated that:

> There are provisions under the National Housing Act for federal financing... of rehabilitation projects. To date, however, little widespread use has been made of the program. This is due to a slowness in communication between Ottawa, the Provinces and the cities in defining program needs.

The program came into effect almost two years ago, and still only a small number of designated areas have been defined. I would like to go on, Madam Speaker, but I will sit down.

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

At six o'clock the House took recess.

[Mr. Gauthier (Roberval).]

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

AGRICULTURAL STABILIZATION ACT

AMENDMENTS TO PROVIDE FOR DEFINITION OF AGRICULTURAL COMMODITY AND BASE PRICE

The House resumed consideration of the motion of Mr. Whelan that Bill C-50, to amend the Agricultural Stabilization Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. C. Douglas (Bruce): Mr. Speaker, in the past week Bill C-50 was described to me by a number of very responsible members of the agricultural community in my area as the bill that will possibly be referred to as the saving piece of legislation for agriculture in the years to come.

For a number of days we have been sitting here listening attentively to speaker after speaker from the opposition side deliver tirade after tirade against the Minister of Agriculture (Mr. Whelan). But, Mr. Speaker, throughout all that high priced verbiage I have not been able to discern one iota of constructive suggestion of any substance that would give any indication that the hon. members have in their possession any workable solution to the problems that they claim have been caused by, or at least not solved by the Minister of Agriculture.

And while constructive criticism should—

An hon. Member: Where did you get the farm credit recommendation? It was the 1972 Conservative platform.

Mr. Douglas (Bruce): —and will always be encouraged by this government when given by well meaning members of the official opposition and all members of the opposition, I think it behooves us now to get on to the committee stage of discussion. Members of the committee concerned about the problems of agriculture can then debate this bill, study it clause by clause, and report to this House in the very near future. In this way improvements and recommendations for action outlined in the bill can be put into practice for the betterment of the farm population of this country who are now in need of the type of assistance proposed to be supplied by the bill.

It is all well and good to use the second reading stage of this legislation as a vehicle "to get the Minister of Agriculture," but it is more important now that the farmers of Canada get the benefits available to them under the provisions of the legislation. As a matter of fact, I too would like to get the Minister of Agriculture. I would like to get him to accept a permanent position as the Minister of Agriculture. He is the best one the country has ever had. If the members opposite disagree, I hope they will look around this House and realize that many of the seats they used to hold are now filled by members on the government

side of the House. The people of this country, and particularly the farm and agricultural communities, put their trust and confidence in the minister, and expressed their feelings on the matter in no uncertain terms on July 8, 1974.

The hon. member for Windsor West (Mr. Gray) earlier today said that only 6 per cent of the labour force is involved in agriculture and the provision of food. While that may be true, I would strongly point out, Mr. Speaker, that the other 94 per cent of us will be in a terrible mess if that 6 per cent should decide to stop supplying basic necessities at a reasonable and economical price.

I respect the hon. member for Windsor West in his attempts at upholding the rights of the consumer, and laud him for that stand. But I hope he did not imply that the 6 per cent he talked about were unimportant to the remainder of this country's citizens. I hope, Mr. Speaker, that he was trying to point out the great importance of that 6 per cent of our population to all segments of our economy.

Too many times we get the impression that farm stabilization legislation is a device used by government to help those poor downtrodden, backward bumpkins out on the back forty who simply cannot look after themselves. Mr. Speaker, in many cases support prices and stabilization plans are in reality consumer subsidies that are of benefit not to the farmer but to the consumer. Ask a western wheat farmer about the two price wheat system, or a milk producer about the dairy subsidy.

I hope that hon. members of this House who represent urban areas will pause to reflect for just a moment on exactly where we sit in this country. As consumers we tend to forget that farmers are also consumers, indeed very large consumers—consumers of petroleum, consumers of all of the commodities and services, consumers of farm machinery, of automobiles, and consumers that in some instances have been taken to the cleaners like no other group. Ask the farmer about price rises in fertilizer, farm machinery, machinery parts, binder twine, to name a few. I have not heard members who claim to be concerned about consumers create much of a hue and cry about these people or about protecting their jobs.

We have been asked where the total cost of this bill will fall. Mr. Speaker, I would pose a counter question. Where will the burden fall when farmers say to heck with it and quit producing the essential foodstuffs we all rely on, and tell the small businessman, the factory worker, the corporate executives, labour union leaders and their members of parliament to try to get along without them. We, as consumers, may think we have it tough now, but if that happens hamburger at $4 a pound will look cheap. Despite fantastic prices in the parliamentary restaurant even my hon. friend, the member for Edmonton Centre (Mr. Paproski), would not be able to get nourishment from an empty plate.

We might as well face the facts. Farmers throughout this land of ours, whether in British Columbia or the maritimes, Ontario, Quebec, or the rolling prairies, are all concerned about today's conditions and the outlook for tomorrow. More than one has come to me since July 8 and suggested the possibility of withholding farm produce to point out their problems to the rest of Canada. I can tell you, Sir, that if they did so for only a week or two, all Canadians would view the farmer and his importance in a brand new light. These same farmers, beef producers, hog producers and yes, egg producers too, have all told me the farmers of Canada need the stabilization bill, and need it now. They ask what the Minister of Agriculture and the government are going to do for agriculture in this country.

● (2010)

In my hand I have a list of all the things the government and the Minister of Agriculture have done for consumers and farmers. In 1972 provincial marketing boards and egg producer boards signed agreements implementing a national egg marketing plan. Let me also refer to the Prince Edward Island agreement on the small farm development program, to changes requested by major livestock industry organizations in the contents of the blue book, to the Nova Scotia agreement on the small farm development program, and to the federal crop loss assistance program designed to help farmers in the Peace River area of British Columbia and Alberta. I could list page after page of other programs which have been implemented and which continue to help the farmer and consumer.

This bill, Mr. Speaker, should not be considered as an entity unto itself; it should be looked at in conjunction with other bills before the House, bills which have been brought forward by the Minister of Agriculture and others who are concerned about farming. I am thinking of the amendments to the Farm Credit Act which we debated recently. If we provide loans to young farmers, we must make sure that they know what prices they can expect for their produce and how much they can earn. It is especially important for young farmers to know what their input costs will be. I think the farm stabilization bill, in conjunction with the amended Farm Credit Act, will provide the young farmers of tomorrow with the needed stability.

The government will soon introduce the health of animals bill, the western grain stabilization bill, and the two-price wheat bill. This legislation must be considered as one package. These bills constitute a total program. They cannot be considered in isolation. As I said, we must look at the total picture, at the total effect of these bills on the farmers of the nation.

Earlier today the hon. member for Yorkton-Melville (Mr. Nystrom) said that the consumer sometimes feels the farmer has been doing well enough, thank you, and we should not worry about him. Let me tell him that many farmers of my area would love to meet him face to face, would love to tell people who think his way what has happened to farm prices and input costs. In the past year input costs have risen sky high, but prices have dropped. I am sure they could convince the hon. member for Yorkton-Melville, and others who think as he does, of the wrongness of his opinions.

For, Mr. Speaker, now as never before this country goes as the farmer goes. It has always been thus. When the farmer is prosperous, this country's economy is prosperous. When he is in economic difficulty, so is the rest of our economy. The farmer is a good spender. If he has money he will buy new farm machinery; he will invest in this country. We depend on the farmer. As his economy goes, so will ours.

I took time the other day to look up the dictionary definition of stabilization. It is defined as, "to maintain or provide for the maintenance of the purchasing power of a country's currency by fixing its value in terms of gold." Another definition is, "something that is stable." I thought I had better look up the meaning of stable. I saw that the definition was, "something that is firmly fixed or established, not easily to be moved or changed, or fickle." The dictionary gave as an example of use, "the only stable politician of his day." That is exactly what we are talking about here. We are considering a bill which will give the profession of agriculture some of the stability which today is lacking. The bill is being brought in by one of the truly stable politicians of this day. Let us get on with it as soon as possible. Let us complete second reading and committee stages, so that those who need its benefits are not kept waiting.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my remarks on the bill to amend the Agricultural Stabilization Act will be, I hope, constructive for the minister's benefit, and educational for those hon. gentlemen who think history started in 1974. The original Agricultural Stabilization Act was debated in this House in 1958. It was introduced as part of a package for dealing with the fundamental weakness of the agricultural industry.

The sorts of speeches made by hon. members opposite tonight, and I include copies of the speech the minister's office has been distributing, raise the ire of farmers across this country. They are calling in to us and saying, "Why don't you tell that—

An hon. Member: Careful!

Mr. Hamilton (Qu'Appelle-Moose Mountain): —"Why don't you tell that—unprintable—what the facts are." That is why members on my side spoke about the plight of farmers in their areas.

The hon. member from the Okanagan area and the hon. member from New Brunswick, together with farm representatives across the country, are trying to tell the minister something. Put bluntly and simply, they are saying that for two and a half years the farming people of this country have held their breath waiting for the government to act. Farmers like the Minister of Agriculture (Mr. Whelan). He speaks like one of them. Every time a farm group raises a problem, he says, "I think you are right. I will look into it and do something."

We can see what the minister has done. Every proposal brought forward by the minister seeks to amend Conservative legislation passed in this House in 1958 or 1959. The program we are discussing is part of a package. The original bill was known as the Agricultural Stabilization Act. It was designed to provide insurance against disastrous drops in price. It was disaster insurance—that is all. You must have it. The hon. member for Bruce (Mr. Douglas) was quite right. You must insure against disaster before you can implement other programs. They are all connected. The hon. member also mentioned the Farm Credit Act, originally introduced in 1959 by the Conservative government, and soon to be amended by this House.

[Mr. Douglas (Bruce).]

I want to list the ingredients of the package which give logic and coherence to any over-all national agricultural program. First, you must consider accelerated sales. The farmer knows that, given his present productivity, he can produce far more than city people can consume. Therefore he must be helped to dispose of his product in the huge quantity which is made possible by modern technology. This product must be put in the hands of somebody who needs it. So the first step is a marketing program which will help the farmer to sell, and not restrict production. I will return to that point.

Second, the farmer must be guaranteed stability of price. This bill is supposed to do that. It seeks to guarantee the farmer who breeds an animal or grows a crop that, when it is time to market the product, he will not be forced into bankruptcy if the price drops.

This bill is a good bill. The minister has improved the original legislation by raising the 80 per cent provision to 90 per cent. That is all this bill does. It does not add to the minister's powers. They are the same as they were before. The powers have been there for all these years. The farmer has watched minister after minister take the office of Minister of Agriculture and never fully use the powers. That is why you see the fruit and vegetable people upset.

● (2020)

If you come from a potato area like New Brunswick, Prince Edward Island, Ontario, Manitoba, or British Columbia, you can ask the local farmer what this act has done over the past 17 years. He can only mention about three or four things brought in to help him. The potato grower had low prices for 10 or 12 years, good prices for two years, and disaster in 1974. Here we are three months into 1975 and the government still has not got a clue about what it is going to do. It just met with the farmers last week. The crop conditions and price conditions were known last fall.

There is an awful awareness on the part of farmers. They remember the thirties when, as young men on the farms, they pleaded for stability of prices and markets, stability of income, a modern system of farm credit, re-development, and utilization of all their resources. All they got in the last half of the thirties when their needs were so great was the Prairie Farm Assistance Act. They got that in 1939, and that was all. As a matter of fact, in 1939 there were four acts of parliament passed and never proclaimed, to get rid of the wheat board. This brings me to what I really want to say.

Over the past 40 years of agricultural economic history, all farmers have known under Liberal administration has been chaos. The only party that ever gave them hope and any form of logic or coherence in its programming was the Conservative party.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): In the early years of the depression it was the Farmers' Creditors Arrangement Act of 1934, the Canadian Wheat Board Act of 1935, and the National Products Marketing Act of 1934. Those were the acts brought in in the last three years of the Bennett administration.

When the Liberal government was elected in 1935 it took all the legislation it could to the courts and said, "Throw it out". It was thrown out. That was the Liberal contribution to agriculture, with the exception of the PFA which came in 1939. During the war when they planned to get rid of the wheat board, they found it was a way of keeping prices down. They then kept the wheat board as a way of restricting the farmer from producing by keeping down his price.

In 1946 we got the British wheat agreement. For four years we had to sell our wheat according to government mandate from Ottawa at a price below world prices. I am simply saying Liberal years to the farmers were chaotic years.

Then we had another period from 1957 to 1963. We did something in a small way about marketing the farmers' products. We did nothing substantial for the eastern farmer during that period. We never got around to it. We did something about stabilizing prices. In 1962, just a few years after, because the legislation was not changed it was already out of date.

This is why there are complaints from those members who represent farm areas. They know there is more profit in the big mandatory products. They know the legislation has not met the needs of many of the other products over the years. The farmer has held his breath for two and a half years hoping this new minister, who looks and talks like a farmer, will help them, but you only measure a farmer, or anything else, by productivity.

What the minister has produced is an amendment to a good law that makes it a little better. He deserves full credit for that. He moved the time period for averaging the base price from ten years to five. Let me remind the House that when the original bill was introduced in 1958 it had a three year average for the base period. That was taken out because in those days it was the Liberals who sat on this side of the House. They fought like tigers to get it changed into ten years. The farm organizations supported the Liberals at that time, and we agreed. That was a mistake we made.

I know the history of this period. I know this is a good bill, but it is only part of a package. It must be understood it does not provide what the farmer wants, which is not only security against price drops. He needs that. Now he is asking for security of income, and there is a difference a mile wide. The difference between stability of price and stability of income is what I am afraid the minister does not understand.

When the minister states he is going to bring in a stabilization bill that will answer all the farmers' needs, their hearts begin to palpitate with expectation. Then they get this warmed-over Conservative legislation. The minister is going to be in serious trouble unless he can find someone in his department, someone among his friends, who can sit down and visualize what the needs are in 1975 as opposed to 1972. The difference is a country mile apart.

A few years ago several members pointed out that prices moved fairly gradually. A moving average was fairly useful. However, today we have an inflation rate on equipemnt costs that is not going up by the 10 per cent figure that consumer costs are going up, but is going up at such tremendous escalation that even on average it is over 15 per cent, and in fact closer to 20 per cent.

Every member can quote examples of machinery that costs $4,000 when you go in to price it. You go out and sell your old machine, but by the time you get back the price is $9,000. By the time the order gets through company headquarters, it is up to $13,000. This is the type of thing we are facing.

If you want imaginative thinking today, set the base price as a cost figure today. After that put in the escalator factors. Every bit of common sense will tell you that what is the base price today at 100 per cent of your costs will be 115 per cent next year. However, under this bill's averaging device all you can take of that increase in cost, if you are measuring against cost, is only 20 per cent of 15%, which is 3 per cent. This bill does not measure against costs, however. It measures against marketing price, which has no relationship to cost.

The bill is good. However, let us not build up a great expectation among farmers that a bill that is good will do things that it cannot do. That is my first point, Mr. Speaker. This is good legislation for a small purpose. That small purpose is to guarantee to the farmer who has a debt, trying to go ahead and plan some thing or breed something, that there will at least be that as a floor price for the coming crop year. That brings me to the second point.

To repeat the first point, this is good legislation, sound in logic, and coherent with all the other parts of the package, but it is only a part. The minister was quite right when he said in Assiniboia last week that this is part of a package. I have the press release. I do not yet have a copy of his speech. However, he is wrong when he leaves those poor people of Assiniboia believing he is going to answer all their problems. That is where the trouble lies. They have great expectations that this legislation will solve all their problems. However, as several members have pointed out, when you look at the legislation, it is the same legislation that we passed in 1958. In fact, I do not think it is as good. It is true that provision is made for 90 per cent, and that is fair enough, but that moving average is as useless today as some of the appendages of a boar. That is the first thing.

● (2030)

The original concept was to tell the farmer before he planted his seed or bred his animal what he could expect by way of return. The term used was forward pricing. Forward pricing is not mentioned in this legislation.

I have brought down with me the last report of the Price Stabilization Board containing details about some of the things it supported last year. Take sugar beet. On June 4, 1971, and June 10, 1972, it was announced in press releases that the '71 and '72 sugar beet crops would continue to be supported at so much a cwt. When do they plant beets in Ontario, Alberta and Manitoba? If a farmer has not put in his sugar beets by June he should not be farming.

I go on to the next item, potatoes. Here is an Order in Council dated January 19, 1972, authorizing the board to purchase certain quantities of No. 1 grade potatoes. All this does is try to close the barn door after the potatoes have escaped.

Take apples—on November 9 the Board was authorized to make certain payments after the apples had been grown. Here is another order with respect to carrots dated December 21. Mr. Speaker, who raises carrots in the middle of winter unless it is in a hothouse? And so it goes. The price is always announced after the grower is committed.

If this legislation is to be used to encourage farm production, the department knows months in advance what the average will be, so tell the producer what price is to be paid by making it a forward price—it will not be of much help, but it will help a little.

On this subject of forward pricing let me elucidate in connection with a modern policy of inducement to production. Having heard the speeches made by the minister, farmers were expecting that this legislation would provide an income guarantee. They expected it would be something along the lines of what has been done in British Columbia, or what Ontario and Quebec are thinking of doing, that is to say, giving the farmer the benefit or the promise of a guaranteed income. But all the farmer gets from this bill is a guarantee that if he raises one of a certain group of commodities he will get 90 per cent of a five-year price average and that, if the provinces or producers want to contribute, a little more can be added to the guaranteed price.

What I am pointing out is that if the minister wants farmers to produce, more than this needs to be done. There has to be an incomes policy, and this is not an incomes policy. An effort is going on to provide an incomes policy for the grain farmers on the prairies, but there is nothing for the other poor slobs who happen to live outside the prairies. We need to insist in the committee that prices must be announced before the production season begins. This was the original philosophy behind the bill, but it has been ignored throughout in the course of the administration of the act. In the case of products whose prices are subject to violent fluctuations, I am thinking, for example, of fruit and vegetables, the answer will not lie in this legislation at all but possibly in some sort of marketing organization which will be prepared at a moment's notice to buy these products and put them into people's stomachs.

To get back to this question of forward pricing, let us look at it realistically. If we examine farm income in the various provinces in the last four or five years we find there are only three provinces where, after a farmer has covered the costs of his operation, looked after interest on investment, and set aside $3,000 or $4,000 for wages and management, there is any money left over. I am referring to the three prairie provinces where a large proportion of the production consists of grain.

The Ontario farmer is the most efficient in the world, yet all he is doing is running at high speed and remaining in the same place. To assure him he will get the average of prices over the last five years will do nothing to induce him to produce more. In the maritimes, farmers are running too, but they are not even staying in the same place; they are going backwards. In Quebec, with its tremendous agricultural potential, they are going downhill.

The only thing that has saved the prairie province in the last two years is that, thanks to the Minister of Justice (Mr. Lang), we had no grain to sell, prices went up to the roof and for once we got ahead of our costs. Today, though, the grain farmer is as naked as a jaybird. He knows there is no international convention governing prices. He knows there is no floor price available to him, and that if there should happen to be one or two million extra tons of bread grain available in the world, prices will fall as quickly as they rose and then the only thing he will be able to do is go to the poor house in high gear, for which he is well equipped.

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

If we were completely open in our approach to this legislation we would acknowledge that it is only part of a package. No financial institution wants to lend, say, $100,000 to assist a farm operation unless it has a good idea what the annual income is likely to be. Legislation such as this has a part to play, but it will not solve all the problems of farm income; it will not send farmers roaring into the fields to plant next spring, or roaring out to breed their stock when they know that a price based on a five-year average will not meet costs of production. There has to be a new and imaginative starting place, and on the basis of average prices in the last five years the government is not going to get much action.

I hope, I have explained with sufficient clarity the part this legislation plays in the overall scheme of things. I hope, I have made it clear that forward pricing should be put back into the legislation. I hope, the minister will seize the bull by the horns and agree that this should be started on a new basis. Having got that clearly in mind, let us also have clarity of thinking about what we have to do to give the farmer stability of income.

● (2040)

I should like to ask the minister, in a rhetorical way, to examine the speeches made by the hon. member from the Okanagan and the hon. member from New Brunswick who spoke of problems in their areas. These members represent two different extremes of the country, two types of product—fruit and vegetables—in regard to which there has never been justice from the legislation over the years. Let us see whether we can come up with a program on the marketing side that will give them some hope for the future.

I should like to conclude my remarks with this main thrust. My party will support this legislation. It will try to amend it, never pretending that it is going to cure all of the problems of the farmers. But this party wants the minister not to betray the faith that the people of Canada have in him. He will be different from his predecessors if he does something other than talk. If the minister would get rid of some of the people who surround him, and who publish one speech after another that should make us ashamed that we ever became connected with agriculture, he will be able to rest his jaw and let his brains catch up.

What I am trying to say is that we want action. We are willing to be co-operative. But one of the techniques that the advisers use in taking over a minister is to give the minister so many speaking engagements that he has no time to think. I say to this minister, take time off to think. The members on this side of the House may be called Conservatives but they are not evil men, and I say the same of all members of the House. There must be some good in everybody. I have learned from experience to

listen. I do not know everything about agriculture, so all I can do is listen and then try to do something based on what I have learned. Let not the minister be known as a minister who talked and never did anything new and creative.

The minister has a great opportunity to get rid of one phrase that his speechwriters use, "supply management". This is a great subject of contention in the world today. The world needs food, so what we must do is expand. Supply management is the tool of the economist, the adviser to governments, who wants to restrict production. That is the difference.

Supply management started in Europe and was brought to North America in 1960. We, as a government in Canada, in 1960 resisted it and we continued to expand. The United States accepted it in 1960, and look at the disaster it was to their farmers. It got into this country in 1969 through that awful agricultural task force report which recommended that two out of every three farmers should get off their farms. It recommended that we reduce the acreage sown by wheat farmers by half; it recommended that the farmers be sent to the cities. It was called the small farms program.

Worst of all, this government, of which the minister was part—he sat on the back benches in those days—brought in legislation to restrict agriculture. It succumbed to the false doctrine of supply management. It succumbed to the doctrine of restricting the production of the farmer. It succumbed to the doctrine of taking farmers out of production and sending them off to the ghettos in the cities.

I suggest the minister should get away from all this. I know he said he did not belong to the government when all these things happened, and he is right. But he now has the awful task of proving that he does not belong there. Those of us who know nothing about agriculture have discovered one thing; we have been at the wrong end of the stick. I know it is said that in a full barrel of rat manure you will rarely find a good kernel of wheat. To put it in very blunt terms, if the minister stays around with the same bunch of fellows who did these awful things to us, I say he will not be a good kernel of wheat for very long either. That is the gut issue.

What the minister has to do is to turn his driving strength and power, with the faith of the farmers behind him, in the direction of selling organizations. We know the egg situation has been in a mess. Let us put the egg industry in the hands of a group of people who will not try to play God. Let us set up a selling organization for eggs. If people do not need protein, then I do not know what else they need. I do not care what the product is; almost all agricultural products can be sold in some form or another. Ideas have been floating around Ottawa all of the years I have been here.

The only market that the tobacco growers have is controlled by three major companies, and they decide what they are going to pay. Of course, they play games with the clock, but in practice they are the only three customers. With a strong minister and a selling board for tobacco we will be able to sell this product to Europe, pay the 25 per cent tariff, and still give the people of Europe the chance to smoke a mild cigar at half the price. We should slash away at this sort of market. The tobacco growers of southwestern Ontario themselves cannot do it. The people of Europe who smoke tobacco will be able to smoke twice as much at half the price, and go to the grave much faster. That is not our business, but I say selling is the key.

Let me talk about beef for a few moments. The amount of beef produced in the United States and Canada in 1974, and expected to be produced in 1975, is such that these two great agricultural countries do not produce sufficient beef to feed their own people. That just indicates how the industry can be mucked up. Their two governments have managed to do that. It seems to me that we are putting everything today into the hands of a group of advisers, and the only thing they know is how the restrict and control the farmers. They think all control should be in the hands of a group of technocrats, civil servants, or whatever you call them and that these people know better what to do than anybody else. They think they know when to plant, when to harvest, when to sell; they control the product from first to last.

In 1971 Liberals and NDP members supported the national marketing legislation. Thank God no member of the Conservative party did so, because all it was designed to do was to restrict the production of farmers, to control their activities from beginning to end, even right through the business cycle. We only accepted the legislation in so far as it applied to eggs and poultry. If the government had had its way, it would have applied to every agricultural product, but thanks to some P.C. members of the House the government was stopped at that time. I was not here, so I cannot take credit for that.

The doctrine of supply management and of restriction is obsolete today in a world where demand goes up at the rate of nearly 4 per cent a year and productivity increases at the rate of only 3 per cent. I am using round figures; the actual figures are 3.9 per cent and 2.7 per cent, but let me call it 3 per cent and 4 per cent a year.

● (2050)

Every year we drop behind to the extent of 500 million bushels in cereals which the world needs, and drop behind in resepct of red meat products, and yet we have all these governments throughout the world that are dominated by a group of economists who believe in running the show. Thank heavens there are a few in each country who differ. Surely the famine we have seen in the last five or six years in the middle belt of the world, and the awful scenes we have witnessed on our television sets, should strike home so that we will not be content to say that we will just support a world food bank under the United Nations.

The United States and Canada should stop this silly fighting and go out and meet the needs of these people. These people do not have the money. We should buy these products and sell them all over the world. This is being done by the Japanese, and by one or two Canadian and United States concerns today. We should have this concept of international trading companies. The minister should be listening to this.

I, for one, am not prepared to write off the minister. I think his heart is in the right place, but I ask him to please omit all this talk and give us the action farmers expect. Otherwise we will all be dead. I again make the plea I made at the beginning. Hopefully all my remarks will be

constructive, but I want them to be clearly understood. The minister has not yet entirely shot himself down, but if he keeps on making statements without finding answers, the farmers will have no choice but to send the Liberals to the same place the Liberals were sent in the United Kingdom many long years ago.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I take this opportunity to say a few words on the important Bill C-50, concerning the marketing of agricultural commodities. We know that there have been problems in this area for a long time and that for many years we have tried to solve them in different ways, either by bringing in new solutions or else by proposing amendments to existing ones.

One of the purposes of the proposed bill would be to shorten from ten to five years the period from which the base price for each agricultural commodity is determined, and also to alter in the manner prescribed the method of establishing the prescribed price in relation to a named commodity and to a designated commodity.

Mr. Speaker, since the first purpose of this bill is to protect farm producers, I agree entirely with the Minister of Agriculture that the government should establish a period which would be more equitable for producers.

It is a well known fact that a quart of milk is now worth 51 cents. Now, there are forty quarts in every hundred weight of milk, so the consumer pays $20.40 for 100 pounds of milk. I feel this is extravagant, considering the producer gets approximately $12 or less a hundredweight. Maybe the Minister of Agriculture could tell us where the difference goes.

I also find the price of beef unbelievable. It has been experiencing an astronomical increase. What does the producer get? Nothing at all, considering he sells his beef at approximately the same price as before. Clearly, the profits are going to the big corporations which enjoy the government's protection.

The time has come for new measures to extend fair treatment to both producers and consumers. Obviously, producers are doing the utmost to provide Canadian citizens with adequate quantities of food.

Therefore, I ask the government once more to discharge their responsibilities and meet the people's demands. In order to meet the demands of producers and consumers, the present majority government must take the necessary steps to introduce sensible and efficient measures to solve the present situation. I have doubts, however, whether a logical and sensible approach can be used under the current system.

In December last, a number of economists met in Washington. They spent a few days together discussing inflation, but after those talks everyone went back home empty-handed because no one could find a solution to the inflation everyone is complaining about. Mr. Speaker, that is where we are at with those economists of all sorts and our present system of indebtedness.

For years now, we have been suggesting very sensible and practical solutions to inflation. One of them is the compensated discount which is paid directly to the consumer through Statistics Canada, a discount that would ensure producers a just return while allowing consumers to pay a reasonable price for their vital needs.

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

There is one solution the government should reflect upon instead of losing its head as it is now doing. That infernal inflationary spiral must be checked for it is leading us to bankruptcy.

Mr. Speaker, as I said before, compensated discount is an ideal mechanism to check this inflation that is undermining our society. If we persist in remaining inactive in the face of this situation, tomorrow may be too late: we will be on the verge of bankruptcy.

● (2100)

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I do not know of any subject which, in terms either of our country or of the world, is more important than agriculture. I do not know of any matter that is more fundamental to our well being as a nation, and indeed to the well being of the world, than the producing arts undertaken by the farmers of Canada.

I think that there has been a tendency from time to time—and unfortunately the minister himself has been one of the factors that have led to this tendency, and indeed has promoted it—to place the producing elements of the community against the consuming elements. To this extent I think he has done the community itself a great disservice and perhaps he has done agriculture a great disservice as well.

The office of the Minister of Agriculture (Mr. Whelan) does not require him merely to speak in the cabinet for the farmer. He has a duty as well to speak for the consumer. And he has a duty to speak in cabinet not just for the farmer or the consumer of this country, but also for the consumers of the world to whom a duty is owed by all people in a productive society such as ours. He has a duty to speak on behalf of the farmers of the world in the sense of the potential farmers who could be aided by Canadian technology being transplanted to other places less fortunate and less advanced. His duty, if I can put it that way, is not just to deal with agriculture from the point of view of the producer involved in it—although that is perhaps his prime duty—but to deal with agriculture as it affects the whole economy, from the stable to the table. This, in some respects, the minister has not done, and in those respects he has failed.

I think he has failed as well to supply certain answers to the problems that face Canadians. But he has been quite good, I think, at pointing out to those who cannot understand, perhaps because of differences of background and differences of interest, that there are problems with respect to agriculture.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), who made a very excellent speech a few moments ago, spoke about the great number of speeches that the minister has made, and suggested to the minister that perhaps his brain ought to catch up with his jaw. I have one of the minister's speeches in my hand. What he has illustrated in the course of those speeches is that in terms of agriculture he can point the strongest finger in the most direct way at all the problems affecting agricul-

ture, but in terms of some new national policy with respect to agriculture little has come from him apart from the reiteration and reinforcement of existing legislation.

Looking at a speech that the minister made at the 53rd annual meeting of the Canadian Horticultural Council, which was delivered on March 3, 1975—I took this from the tall accumulation of speeches which the minister made—in that speech, when he was an after breakfast speaker, he spoke about some of the problems that affect agriculture, and he gave some statistics. On the second or third page of the epistle he delivered that day the minister said:

> Now, I want to give you a few figures. They deserve some hard thinking. In 1972 Canadians grew 44 per cent of the fresh fruit you ate. That was down from 58 per cent in 1964. That's a 14 per cent drop in eight years.

He dealt with canned fruit. He said that we did better in canned fruit in 1964 than in 1972. In 1972, he said, there was a 16 per cent drop from 1964. He went on to give a number of figures which illustrated the fact that as a country we were consuming less and less of those things which we grow here, and as a result of that the industry finds itself in difficulty.

But did he offer a solution in that speech? No, he did not. He suggested a whole range of possibilities. He said that perhaps Canadians are buying more offshore vegetables, that perhaps our fruit lands are being bulldozed for highways and towns, and that perhaps there are some limitations in our climate. Mind you, the climate was the same in 1964. He said that perhaps our marketing systems and production scales are lagging behind those in other parts of the world. He asked the horticulturalists to think about it.

I ask the minister to think about it, because in the short period of time between 1964 and 1972 this minister and his predecessor have been in a position to deal with every one of those factors—except perhaps for the weather, and only the Minister of Finance (Mr. Turner) can deal with the weather—that affect the operation of agriculture. This is the same thing that he has done with respect to hogs, beef and every other agricultural commodity. He has pointed out the problems very clearly, but what he has not said is what he intends to do about them.

As the hon. member for Qu'Appelle-Moose Mountain said, it is unfair to credit this piece of legislation anything more in terms of improvement than the text of the bill entitles it to have. As the hon. member said, it is really an adjunct or an addition to a policy that was formed under the Conservative government in 1958. So it is not fair to mislead in that sense of the word.

There are agriculturalists in my community who say of the minister that he is a great fellow and that he tells them everything that is wrong, that he gives them hope because at least he recognizes the problems. They say they are getting higher prices for their produce now but they are paying more for fuel, more for binder twine, more for machinery, fertilizer, feed, for all their investments which are large, and higher interest charges at the bank. Their profits are going down. That is the problem facing farmers, and that is the problem to which the minister should address himself.

The minister cannot address himself to that problem alone. He requires the co-operation of his colleagues in the government, and perhaps he is not getting it. Nothing concrete can be done to deal with problems affecting farmers, and therefore affecting consumers, until something is done by the government at least to begin the attack on the inflation which affects this country.

● (2110)

My heart goes out to farmers in my constituency, farmers in Ontario, and farmers in Canada generally who are suffering under this system whereby the harder they work the less they earn in terms of their investment simply because the government of this day has refused to attack the problem of inflation. The methods the government has used are the methods of trying to attempt a consensus, to do indirectly what it does not have the courage or the guts to do directly, trying to impose a voluntary incomes policy on the people of Canada. This is what the government is trying to do, and we have the results of it today in the silence on the Treasury Benches.

The farmer has a real problem. The minister gave a speech to the annual meeting of the Harrow and Colchester South Chamber of Commerce at Harrow, Ontario, on Tuesday, March 4, 1975, and in that speech he summed up the difficulties facing farmers. Many people should know about these difficulties, people who somehow think that agriculture begins at the refrigerator door. It does not begin there, and all of us know that.

On page 4 of that particular epistle the minister said:

> Look at the date from the last census. In 1970, the average income of Canada's plumbers was over $8,000. Doctors earned an average of nearly $28,000. Structural steelworkers earned over $8,000. Sales clerks were paid an average of $4,700. Yet farmers grossed an average of $3,800.

I ask the minister why? If that is the case with respect to farmers, what in the devil has the minister been doing about it since he came into that portfolio except talk about it? What has the government been doing about it since it took office in 1963? Nothing. Nothing, and that is the thing practicing agriculturalists in this country—using the minister's own statistics—look at, when they ask themselves about all of the speeches the minister has made and what they really mean.

There is a challenge to agriculture, and perhaps the minister should move in the direction of meeting the challenge. The challenge is keeping people on the land and encouraging them to stay on the land, to give encouragement in real terms to stay on the land with real returns to them. That is the first challenge. The second challenge is to ensure that young people are encouraged to come on to the land. I look at this litany of programs, and I look at the number of farmers going out of business.

I consider the number of auction sales advertised in the weekly newspapers, and I cast that against the problem of rising prices for food for the consumer, and the duty we have in a civilized and conscientious society of feeding a starving world, and I ask myself whether this minister is prepared to put before the farmers of this country the new tools, the new policies and the new programs which will allow the farmers of Canada to do what they want to do—make a reasonable living from farming, have a reasonable

life in farming, produce food for themselves and for their countrymen, and have a reasonable place in feeding the unfortunate of the world. If we continue to rely completely on new technology as the main tool of increasing agricultural production and do not also rely on programs which will put farmers on the land and keep them there, then we will lose that race, and we will miss that obligation.

This bill before us does not come near to being what it has been touted to be, Mr. Speaker. It is not a new policy of agriculture. It is not a new tomorrow for farmers. It is disaster insurance. It is just the beginnings of finding stability of income for farmers. I think all of us, whether we live on the farm, in the cities, in the towns or the villages, whether we have a direct, indirect or no connection with agriculture, have a duty to recognize the plight of the farmer and to recognize also that there has not been much real progress in terms of widening the gap between earnings farmers receive and their cost of operation, which is driving many of them off the land—and this in a time when we hear pleas from others about high costs and other things.

That is the challenge facing this minister, and as the hon. member for Qu'Appelle-Moose Mountain said, in his own way, we do not regard the farmer as the subject of partisan politics because he is completely fundamental to the operation of our country and the wellbeing of our country. We do not regard the minister in the same way to the same extent. He regards himself as a person given to partisan politics—and to the extent that he has conducted himself that way, he has probably misused his portfolio—but he does have a part to play in the scheme of things. His duty is not merely to point out the problems which face farmers. My God, the farmers know their problems themselves, without his putting the finger on them. The problem is to come up with some policies which are meaningful and new, and that, Mr. Speaker, the minister has not done. That is the duty of the minister, and it is because this bill is a small step in that direction—although it is only augmenting existing legislation—we are prepared to support it, but that does not relieve the minister of the challenge facing him as he faces the problems facing farmers.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, it is a real privilege to follow such a distinguished agrologist as the hon. member for Grenville-Carleton (Mr. Baker) and his outstanding address on agriculture.

I want to speak on this bill because I support it strongly. I think it is good legislation for the agricultural industry, meaning that it is good for the consumer and for the producer. I think it is one of the first thrusts we have made which has particularly spoken to the problem of the eastern Canadian farmer, and particularly of the livestock and poultry farmer.

I think the most critical thing this parliament can do is work to pass legislation which will allow Canada to become as self-sufficient in food and energy as possible. I do not think there is anything more important with which to be involved. As important as other programs may be, some of them will have to take a secondary position in terms of spending so that we can work toward that objective. I think any country which is essentially self-sufficient in food and energy has to have less inflation, less unemployment, a stronger export position, a stronger industrial economy and certainly a leadership role in the world which no other country can attain.

[Mr. Baker (Grenville-Carleton).]

If hon. members doubt that, I suggest they consider some of the countries around the world which are importing the majority of their food and energy. I think Canada is one of the few countries in the enviable position of not having to do that, if this House supports the legislation now before it.

There are two matters of concern to agriculture, one being the retention of good agricultural land and the other the retention of enough good farmers to use what land we have. It is the second part I think we should be speaking about, and to which this bill addresses itself. It might be well to think of the role farmers have played over the past few years. We should commend the job they have done, because historically we have had reasonably priced food, and our farmers across Canada have done a magnificent job in providing that. They have been able to do so for a number of reasons. One is that their input costs have been reasonably stable.

● (2120)

Until recently most labour on farms was done by the family, but of course this is not the case today. No one can be proud of the fact, and I am sure none of us are, that much of the stability in food prices has come from the attrition of farmers. At one time 10 per cent of our population were farmers, but because of the boom and bust cycle many were forced to leave the land. Nobody worried too much about that because we had so many to begin with, and food prices remained reasonable.

Farmers should be congratulated on their efficiency as this is what gives us food at reasonable cost. They operate what is perhaps one of the most efficient sectors of the economy. It is interesting to note that in 1949 the price of turkey meat to the consumer was higher than it is today. This is because farmers now produce turkeys in three-quarters of the time and on half the feed, which is a good example of efficiency. The efficiency of farmers in this country is outstanding when compared to farmers in other countries.

Canada has done a good job in agriculture through the programs of the Department of Agriculture and the provincial extension services in such areas as genetics, nutrition, farm management and so on. The problem is, however, that this will not continue because those alternatives will not be open in the future. We have two basic choices. The first is to pay a fair price for food and allow farmers a fair return on their investment and their management skills. We must share their risk. The other choice is to import food and thus put agriculture in the hands of large integrated operations. If this happens then we are certain to have higher food costs.

The basic problem has been well documented, the problem of rising costs. During question period many questions are raised about the labour segment of the public service and other sectors of the economy. In the end these costs all filter down to the farm. If the cost of energy is a particular concern, we must remember that agriculture is one of the major users and any change in the price is reflected in

farm and food costs. The cost of fertilizers, chemicals, feed, machinery and so on is reflected in the price of food.

We should note a couple of other things as well, Mr. Speaker, and one is the increasing investment that farmers have to make. We are far away from the point when most of the input was made by the family. We now have highly efficient farms and improved technology, but along with this has come a tremendous investment. It might be of interest to note that most farmers have about $1,000 invested in every steer they feed. This means that they must get 20 cents per pound just to cover interest charges. Many farmers may have $4,000 invested in a cow and would be faced with nearly $300 in interest charges. That is one reason why we are so pleased to see the introduction of the act to amend the Farm Credit Act, so that farmers may be given some assistance in this area.

Members opposite have had a great deal to say about the bill increasing the level from 80 per cent to 90 per cent and decreasing the time from ten years to five years, but there is another aspect of this bill which has been ignored and I think we should talk about it. The proper indexing of costs and the recognition that the farmer needs a return that reflects his cash flow in a crop year, and in addition have some return on his equity and for management and for investment, makes this bill much more effective than many members give credit for, Mr. Speaker.

It is true that the legislation at present on the books has not been too effective. Over the ten years of its history it has only come to the rescue of that part of the industry that has been in trouble a few times. This bill before us will be effective, not because the time has been reduced from ten years to five years, or the level increased from 80 per cent to 90 per cent, but because of the indexing aspect which recognizes the many things which the farmer must face. One of these is cash flow, and this is in serious jeopardy because of inflation. It will be taken into account in the indexing formula in calculating what is a fair return on management—in other words, his return to equity.

I want to deal with another aspect of this bill. In several debates in this House there has been mention made of the starving people of the world and the aid that Canada has given through its food program. Some members have commended the government's commitment of wheat, and others say we should have done more—perhaps there are even some who would say we should have done less. But, Mr. Speaker, I think we should realize what we are doing to the agricultural industry by making commitments of this size. If we continue to do this, and I think we should because it is a human and just thing, we will gear our agricultural industry to expansion and count on the world's food program to absorb much of the production.

I think we should reflect on what would happen if all of a sudden countries all around the world have good crop years and consequently we did not have an export market or a need for the world food program. One of the solid bases for this bill is to underwrite that very possibility so that we can be a stronger factor in helping the have-not countries of the world.

I said in the beginning that this is a bill that is of benefit not only to the farmer but also to the consumer. A lot of members opposite have made the point that this is a floor price. I think that type of analysis would lead consumers to think that the government is again going to subsidize farmers heavily. That is not the purpose of this bill. I think we should say that this bill rewards the efficiency of the farmer. The farmer who does an efficient job of production and marketing will still be miles ahead of the farmer who does not. I think we should be very careful that we do not give consumers the impression that this is a subsidy bill for farmers. It is a stabilization bill which acts in the best interests of the consumer and the farmer, and rewards the efficiency of the individual farmer.

I take issue with comments made earlier this evening by certain members, and particularly by the hon. member for Crowfoot (Mr. Horner) on the day the bill was introduced for second reading. One could take from those remarks that the government, and particularly the minister should be doing something more substantial to help agriculture but without regard to a supply management arrangement. I am not too sure where such a line of thought would lead us. Surely members opposite would not say that we should have an all out production program financed by farmers. They are quick to say that we should reduce or control government spending but, Mr. Speaker, how can you marry those points of view?

Hon. members opposite would propose that we should subsidize the industry but have no say in how much is produced or under what conditions. I shall be vigorous in committee in opposing that point of view. It would be unfair to expect producing farmers to suffer; they deserve a far better support level than that.

● (2130)

I shall conclude by commending this legislation. Let us co-operate in committee stage and pass it quickly, so that farmers may enjoy a measure of security which is essential if there is to be long-range agricultural planning. The average farmer and consumer have been plagued in the past by the agricultural boom and bust cycle, in which overproduction leads to low prices and underproduction to high prices. This legislation will be significant in levelling out the price fluctuations in the agricultural industry. Prices will respond to input costs; this in turn will surely mean that consumers will have available constant supplies of reasonably priced food. For that reason I ask the House to deal with this bill quickly in committee and on third reading, so that the farmers of Canada can soon take advantage of this forward-looking legislation.

Mr. Peter Elzinga (Pembina): Madam Speaker, I am pleased to participate in the debate of Bill C-50, to amend the Agricultural Stabilization Act. The Minister of Agriculture (Mr. Whelan) said that Bill C-50 is part of a total package of legislation which is designed to bring greater stability to the agricultural industry. Its total effect will be to provide producers with greater income stability while they produce high quality food for markets at home and abroad.

The minister stated that the bill will provide producers with greater income stability. But he has not stated that it will provide producers with greater income. What good is stability, or what good is stabilizing an income, when your income is in a loss position?

When the bill becomes law farmers will be guaranteed returns on the mandatory commodities equivalent to at least 90 per cent of the average price of the previous five years, and the price will be adjusted by an index to reflect changes in production costs over that period. I agree with the total over-view and with the expectations of this bill, but I feel at the same time, that there is a reluctance on the part of the federal government to develop and adopt positive and long-term goals for agriculture in this country. As a result, ad hoc policies are adopted from time to time to deal with crises when they occur. The effect of this approach is that many policies deal with the symptoms rather than with causes of the problem. We must address ourselves to the solving of the many problems created in a complicated age.

Our capacities for food production are functioning at less than maximum while malnutrition and poverty continue to prevail in large sectors of the Canadian population, and in much of the world. I believe the maintenance of a strong rural community in Canada is an essential part of our national culture, and that farmers must continue to hold a distinct place in it as basic producers of food.

It is in the best interests of our nation to maintain a sound rural community, which must be based on the strength of an efficient and economically viable farm industry in which ownership is vested in and controlled by farm families.

The government holds a heavy responsibility toward determining the structure of food production in this nation by the philosophical approach reflected through legislation and public policy. The vital issue today facing agriculture is government intervention, or, more specifically, the degree of government intervention. The debate becomes critical because, so far, no government has been able to establish a total agricultural policy for this nation. If food producers do not set the criteria for such policy, sooner or later the government will, and that is why I was pleased by the minister's remarks. He said he would be happy to hear interested groups and would welcome their appearance before the committee when this bill is studied there.

But let me refer hon. members and the minister to what happened in committee when we considered Bill C-19. All witnesses appearing before the committee wanted an indexing clause to be included in Bill C-19. The Progressive Conservative party, even before witnesses appeared, had such an indexing clause ready to propose as an amendment to the bill. The Grit administration rejected the indexing clause which had been proposed by the Progressive Conservative party, even though it was wanted by the farm groups appearing before the Standing Committee on Agriculture.

Is this what the government calls consultation? It came forward itself with a flimsy excuse of an amendment. I cannot understand why it preaches one thing and practices another. If government members wish to have representations made, let them abide by some of the suggestions made at hearings. This has not been the case to date.

The farmer of today is established, organized, knowledgeable and wants to produce. Not only does he want to produce; he can produce. But, Madam Speaker, farmers see that the buyers of their produce are few in number. Power is concentrated in a few hands; farmers realize that this is not the best system under which to operate. The new generation of farmers today is not in farming necessarily for the way of life it gives, even though this may be a great factor. They are in it to make a living. I believe they want more stability in their operations, stability with a profit, not excess profit. They want to be assured of some consistency in income, just as we all do.

I could not help noticing that the Canadian Federation of Agriculture said, in a press release, that grain exports are the life blood of prairie agriculture and, for that matter, of a great part of the Canadian economy, and nothing is more important to the economy than developing grain markets and servicing them.

What good is a bill stabilizing income when an individual cannot sell his products? We must come to grips with the strike situation in our country. The strike situation is causing us to lose face internationally, particularly in the area of grain exports. I am thinking particularly of efforts to export grain to Japan, China and Bangladesh. All these export efforts have been disrupted because of strikes. The situation remains stagnant because the government maintains there is no simple answer. I agree there is no simple answer; but we cannot stop there. We must try to develop one. Answers for getting around the strike situation facing us today are available if we are willing to look for them. Among industrialized nations Canada suffered the second highest rate of loss in man hours because of strikes. We have the second highest rating in man hours lost through strikes. This is not an accomplishment to be proud of in Canada.

Again I ask, what good is stabilizing income when we cannot move our commodities? We must come to grips with all the problems we are facing in the agricultural sector today. New procedures must be developed to deal with strikes; we should ask ourselves what form these developments ought to take, and I think we will be able to come up with positive answers.

The Library of Parliament has an excellent book on collective bargaining and the right to strike. It lists a number of options, and we must choose the best alternative to the present system, for the only result of a strike is economic loss, both to the company and to workers. Perhaps it is the public loses more than both of them, because it suffers not only in terms of dollars and cents but in the terrible inconveniences which are inflicted on it in times of strike.

The booklet put out by the research branch of the Library of Parliament lists nine options in connection with strikes. Since the present debate is not on the strike issue but on the issue of stabilizing farmers' incomes, I will not dwell on strikes. I just throw this out as food for thought because I believe the role of collective bargaining, Madam Speaker, is likely to become more, not less, complex in the future. It is not possible to return to a system in which unions and management are left to settle their differences without reference to wider economic and political repercussions. Collective bargaining will inevitably have to take place within an overall framework of law, with an economic and political policy that will impose restraints.

● (2140)

The problem for the future will be to devise rules and institutions which will enable the collective bargaining process to operate smoothly and effectively within constraints. This would eliminate the unacceptable industrial disruption, unemployment, and the inflation which hurts everyone and particularly, at the present time, is seriously damaging the grain farmer in western Canada. Yet the government is not willing to come to grips with this problem. Because we are talking about stabilization, Madam Speaker, I would like to dwell just briefly on how it affects the beef industry.

Our beef industry, Madam Speaker, has suffered substantial losses this past while, and at present we have two support price policies recently announced by the Minister of Agriculture that relate only to the cattle industry. Last August 11 the support price of $45.42 for fat steers and hiefers was instituted and if deficiency payments are made when the year is up next August, I presume that they will be paid under the provisions of the original act. It is important to understand that this price of $45.42 for grades A, B and C was determined by taking 90 per cent of the average weighted price for these three fat cattle grades at three principal markets, in Calgary, Winnipeg and Toronto, and adding to it a cost-of-production index figure as determined by the farm input price index.

The beef-cow subsidy or support policy of $23.21, effective last November 16, is 100 per cent of average prices of the D1, D2, D3 and D4 cows over the last five years at the same three principal cattle markets, but without an indexing figure.

In dealing with the beef stabilization aspect of this program it is interesting to note there is an amendment which assures that regionalism of support prices will be recognized, but the cabinet makes this decision. It is not included in this bill and it can be assumed that the involvement of the cabinet in the regionalization process will render any decision a political one.

If I might refer to the agricultural standing committee minutes of the meeting held in the month of October at which I questioned the Minister of Agriculture as to whether there was going to be a beef program coming forward for the troubled beef industry, this was his reply, and I quote:

> As soon as I can work out some kind of program that I think is suitable for the beef industry of the whole nation, because I cannot do it for one part of Canada and not the other, and as I said earlier there are different feeding programs, different costs. For instance, in Alberta you can contract for cattle to be fed for 60 cents a pound on barley. In Ontario and other parts of Canada, you can contract it on silage for 40 cents a pound. So it is a hard thing to work out a program that is going to be suitable for all these people.

What does this lead one to believe? The Minister of Agriculture did state approximately what the cost of production was, forty cents in eastern Canada and 60 cents in western Canada. Yet we have a stabilization program for the beef industry now at $45.42. Who is going to benefit the most? Of course it is benefiting the eastern feeder again.

When is this agriculture minister going to realize that we do have western producers in this nation also, western producers who need to have substantial help now because of the crisis in the beef situation? I strongly believe that this is just another attempt to satisfy the main populace of our country and to neglect the western regions of Canada.

Again let me stress that the regionalization of support prices will be recognized by this bill but the cabinet makes this decision, not the bill, and this decision could very easily be a political one. Let me also suggest that since this stabilization program will take in the past five year period, that during that same five year period agricultural production costs have increased at a much faster rate than did our market prices at the farm gate. This is a very significant point and I ask the minister to take consideration of it.

In closing let me state that I appreciated having the opportunity to contribute to this very important debate, and I hope that some amendments will be forthcoming to this actual bill so that the agricultural sector of our country will not be neglected or taken advantage of, as it has in the past. We must recognize that we do have an obligation to produce food because we have millions of starving people in the world. The producer also has an obligation to the consumer, but we cannot and should not expect the producer to produce at a loss. Although I agree with the total over-view of this bill, there are many areas that can be improved upon in Committee.

Mr. Arnold Malone (Battle River): Madam Speaker, it is certainly a pleasure to be able to speak on an agricultural bill or agricultural issue, not because I believe that agriculture is an important industry but because I believe it is the most important industry.

In the 50,000 years that human beings have been on the planet earth, they have either eaten every day or been in search of food for every one of those days. Most of the industries that we talk about in the world we live in and that we give a tremendous importance to are the kinds of things that we have developed only within the last one or two human lifetimes.

The automobile industry is an invention of less than 100 years. Oil and gas have only come into prominence in the last 50 to 60 years, but food has been the substance of mankind for as long as mankind has existed.

I need not tell the Minister of Agriculture (Mr. Whelan) the kinds of facts related to the tremendous importance of this industry on a world-wide basis. However, if I may, I will take some time to share with the House some of the important things that are happening in the world picture perhaps to show the inadequacies of this bill and how it simply will not fulfill the needs of the present day situation.

The fact is that 12,000 people died of starvation yesterday, 12,000 died of starvation today, and another 12,000 will die tomorrow. Four fifths of the world's population suffers from malnutrition. In the country of India human beings are dying of exposure at 57 degrees fahrenheit. That is a concept that is hard for us in Canada to comprehend when we have people living in the high Arctic at temperatures of 60 degrees below zero.

Another fact I think should bear importance in our argument here this evening is that on the continent of Africa 55 per cent of the human beings there are below or under the teenage bracket. What does that mean? When

we take a look at the world food shortage today, the truth is that we do not have a world food shortage in the general sense. What we have is a world protein shortage. If we had a mythical distribution system, something like the one we run in Canada, that could give food to all peoples around the world equally, we would have barely enough carbohydrate to go around, and certainly a shortfall of a considerable amount of protein.

Going back to the situation of so many young children in Africa, everyone who has ever watched a teenaged boy or girl eat food does not need to be reminded that the intake of protein increases by almost 50 per cent when you reach your teenage years. Africa is a continent which cannot supply its population now and 55 per cent of its population is pre-teenage. The need for world food doesn't need to be underscored. When we come to the purport of this legislation we are certainly going to find out that it falls far short of giving the kind of incentives to farmers to produce in the way in which this world demands.

● (2150)

I am going to give one last example, because certainly my time will run out tonight before the issues of this legislation are exhausted. I want to bring home dramatically the importance of the need to produce food at a level which is accelarated to the absolute maximum. Just recently when the country of Chad was experiencing the most severe drought ever experienced in the world, a great epidemic of diphtheria broke out. As a result of that epidemic the World Health Organization of the United Nations made an offer to send vaccine for diphtheria and the government of Chad responded by saying "No, do not send that vaccine because diphtheria is an easier death for our children than starvation." I think this underscores the need to develop a policy that is not simply ad hoc but actually accelerates agricultural production in this country to a level unlike any we have ever experienced.

The United States National Academy of Science says that by the year 2025 there will be one million child deaths a month, and that also we will have a shortfall within five years from now of 51.9 million tons of cereal grain per year. Let's take a look at some of the situations which relate to the agricultural bill, and at some of the shortfalls that we are going to find in terms of incentives to farmers.

The first thing that we ought to be demanding when we take a look at any agricultural measure today is a bill that in fact encourages farmers to produce, and the way you do that is you pay them. This bill does only this. It talks only in terms of paying people, of giving more payment, but without having direct relationship—unless the cabinet should happen to decide otherwise, which is certainly as the previous speaker mentioned a very political decision—to link payment with the cost of production. Unless there is some kind of guarantee that the farmer is going to be paid, and paid well, then there can never be the concept of a professional farmer. I think it should interest all members of this House to note the fact that agriculture, wherever it is, has been treated as the bottom man on the totem pole. In every country in the world where we find nations existing on an agricultural economy, they are amongst the poorest of all nations, and when you take a look at the industrial nations the agricultural areas in them are the poorest areas.

[Mr. Malone.]

I think we might first take a look at this bill by citing the example of the fellow who started to drink to steady his nerves; finally he drank so much that he got so steady he couldn't move. And that's exactly what the limits in this kind of bill can do. We are talking about stabilization, but in fact what we really ought to be looking at is the kind of government incentive that speaks about getting food into the international market, with some thrust to get food to where it is needed. And if there were a tremendous drive to get Canadian food into the international market place then we wouldn't have to spend all of our time talking about stabilizing it here, because the fact of the matter is that we can stabilize these markets into such stability that they won't move. Once we start getting markets so stable that they won't move we have a situation in which the farmer is locked in, just as surely as he is locked in today, because of the failure in getting his product to market. There is certainly a failure in getting his product into the international market place. There can be no doubt about that. There just is not enough incentive to get his product into the international market place.

If the government is really sincere in its attempt to try to put some stabilization into the farming economy, there are some other things it could be doing that would make a tremendous difference. In the last couple of days of debate we heard some accusations made back and forth across the House about racism. Well, I say to the Minister of Transport (Mr. Marchand) that I would like to challenge him with a real race issue. I would like to challenge him with a race issue that is of tremendous importance, and makes a tremendous difference to the agricultural stabilization of this country. The fact is that it takes 28 days for a rail train loaded with grain from my constituency to reach the port in Vancouver. That averages out, Madam Speaker, to three and a half miles an hour. Despite all that talk about racism and racing, and getting food to market, I can walk twice that fast. I will challenge him any day to get that grain to Vancouver. He can use his trains and I will walk with the grain.

We are talking about international markets and the very inadequate way in which we try to get grain to them, but the fact remains that we have rail systems that are tied up by strikes, and the trains themselves are moving at an average of three and a half miles an hour.

The other thing I would like to say, as my time is drawing to an end, is that the agricultural industry ought no longer to bear the brunt of strikes. There is no example in the business world where two people go into negotiations, incur a loss, and then charge that loss to a third party. Yet in the Port of Vancouver during the recent grain handlers' strike what happened there was that management and labour caused something like $70 million of demurrage charges to accumulate, and charged them to the farmers. I think the farm organizations of this country ought to sue the federal government, because there is no situation in the business world in which two people who enter into some kind of a business deal and then incur a loss can charge that loss to a third party.

I think that kind of jeopardy which exists in this country ought not to be allowed because it is absolutely illegal. I see it is ten o'clock. May I call it such?

Some hon. Members: Question.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—ALLEGED FAILURE OF PRODUCTS OF CONNAUGHT LABORATORIES TO MEET STANDARDS—GOVERNMENT ACTION

Mr. P. B. Rynard (Simcoe North): Madam Speaker, on February 27, 1975, I asked the Minister of National Health and Welfare (Mr. Lalonde) whether he was aware of the situation which had developed at Connaught Laboratories which had been found in breach of regulations in respect to packaging and product stability. This came to light in January, 1973, and when the inspectors from the food and drug branch of the department returned one year later, nothing had been done. In fact the situation had become worse.

In February, 1974, the chairman of the drug board drew to the attention of Dr. R. J. Wilson, Chairman of Connaught, that there had been violations in connection with the testing of the finished products and in quality control, and that none of the other breaches had been corrected. I want to know why these breaches had not been corrected in the space of an entire year. This is of vital concern to the people of Canada as this is their investment. Connlab is a subsidiary of the Canada Development Corporation, which the people of Canada own, and they have a right to expect proper management as a business proposition.

● (2200)

It goes a little deeper than that, however. Connaught Laboratories is a memorial to the great work done at the University of Toronto by Drs. Banting and Best in the discovery of insulin. Canada at that time had a population of ten million. They produced insulin and saved the lives of many diabetics previously doomed to death, putting Canada in the forefront of the scientific world and giving hope to thousands of diabetics that they could lead useful lives.

Over the years they set a standard of quality unexcelled in any country of the world. No one ever had to question this institution as to the quality of its work or its prices. Connaught Laboratories operated with a research grant of about $80,000 per year, and had an annual endowment income of around $400,000.

When the people of this country bought Connaught Laboratories, which through legislation became a subsidiary of the Canada Development Corporation, it was able to receive yearly $1,228,000 in grants from the Department of Industry, Trade and Commerce. Connaught Laboratories made its reputation and financed itself by keeping the quality of its products as a standard for all the world, and its prices were the envy of the world. Connlab has not been able to maintain this quality or even to keep its prices competitive. Connlab's insulin became higher priced than others.

Let me give the House a comparison of some Canadian and U.S. prices. Regular insulin, 100 units, sold for $2.03 under Connlab; $2.12 under Squibb; Lilly sold for $2.20. NPH, 100 units, Connlab sold for $2.70; Squibb for $2.42; Lilly for $2.52. Both the latter are United States firms. Protamine zinc sold for $2.63 Connlab; Squibb sold for $2.42; Lilly sold for $2.52. Semi Lente, Connlab $2.93; Squibb, $2.42; Lilly $2.52. There is a difference of 51 cents there. Ultra Lente, Connlab $2.93; Squibb $2.42; Lilly $2.52.

These are quoted prices as at the present date, and it is an indication of what is occurring in a field that had been previously held solely by Connaught Laboratories. In 1973 Connlab was making adrenalin which is used for shock and allergies, but since the Food and Drug Directorate described their facilities as not being up to standard, instead of bringing them up to standard Connlab discontinued the line entirely, even though it was not made in Canada. It was also pointed out that Sabin polio vaccine was made in a facility not up to the standards set by Great Britain or the United States. Why was this not corrected so that the market could again be captured? It has been reported that vaccines of doubtful standard were sold to the province of Ontario and that this was under investigation. What were the results of this investigation?

All in all, instead of correcting the problems and improving quality and marketability, Connlab has discontinued several lines, one of them Pam Penicillin. This was a one dose shot used very successfully, in the treatment of venereal disease, and this discontinuance was very disappointing to the many people who had supported Connaught Laboratories over the years.

I am not going to go into the mistakes that have reportedly been made in labelling, particularly of smallpox vaccine, which in many cases gave very serious reactions. The same smallpox vaccine was sold to Bangladesh, and through mishandling or mismanagement did not give the desired results. Unquestionably some people may have lost their lives over the error.

Connlab dropped several of its drugs to correct its financial picture, and it also let 75 employees go. It even considered selling 583 acres of land belonging to Connaught Laboratories. In spite of the galloping increases in their prices, domestic sales, which are almost captive with governments being the big buyers, remained static, and they failed to meet world competition where international markets are much larger.

Connlab has been repeatedly warned by its own people, by the senior medical research and senior executives, that the facilities had to be upgraded and their quality control brought up to standard if they were to be competitive. Why was this not done? One of its vice presidents stated that over $300,000 was needed immediately to improve and renovate the plant to comply with the regulations.

The Acting Speaker (Mrs. Morin): Order, please.

Mr. Rynard: None of this was forthcoming. Now I understand that the president of CDC has stated that Connlab can have the necessary funds, up to $10 million if necessary, to bring the place up to standard.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. gentleman—

Mr. Rynard: They have already built within the last two years a facility costing around $2 million.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. gentleman—

Mr. Rynard: Madam Speaker, I am sorry to have to make my point, but this situation was allowed to go on for two years without correction. This is something the people of Canada own. It is run by this parliament, by this government and by the people of Canada.

The Acting Speaker (Mrs. Morin): Order, please. Order, please. The Parliamentary Secretary to the Minister of National Health and Welfare.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, I would like to bring to the attention of the House further details with respect to the question of the hon. member for Simcoe North (Mr. Rynard) concerning certain deficiencies in manufacturing conditions of Connaught Laboratories and the continued sale of this firm's products.

Regarding the action of Dr. Showalter, Chairman of the Advisory Board on Drug Manufacturing Facilities and Performance, I must explain that this board, which reports to the Minister of Supply and Services, is responsible for publishing a directory of firms in compliance with the Canadian government standard which is used as a purchasing specification. Officers of the Health Protection Branch of the Department of Health and Welfare work very closely with this board, but take independent action to ensure industry compliance with regulations involving manufacturing facilities and controls.

As the result of inspection in January, 1973, some deficiencies were discovered in requirements involving raw materials, packaging and product stability of potamine sulphate, epinephrine, oxytocin and heparin. These drugs are not controlled by licensing procedures but are, of course, subject to the over-all controls for quality under the Food and Drugs Act. These deficiencies did not constitute hazards to health and were not judged to be a breach of regulations. However, they were discussed with Connaught Laboratories during the inspection and confirmed in writing in line with the health protection branch policy to advise all manufacturers regarding areas of deficiency. The Advisory Board on Drug Manufacturing Facilities and Performance also questioned the firm on the observed discrepancies. Because of the overall acceptable rating of the firm, no further action was considered at that time.

During a subsequent inspection of Connaught in February 1974, two epinephrine products were examined and deficiencies were noted in raw material and finished product tests, quality control and stability. Although these discrepancies were discovered in the conditions under which these drugs were manufactured, no evidence was available to indicate that there was any lack of compliance with the established standards for the products themselves. Consequently, as with the products inspected in 1973, no action was considered necessary to remove these lots of epinephrine from sale as there was no indicated health hazard involved. These deficiencies were discussed with the firm during the inspection and subsequently confirmed in writing on April 2, 1974.

A further meeting was held with the firm in late April to discuss thoroughly all aspects of the inspection findings. At the same time the chairman of the Advisory Board on Drug Manufacturing Facilities and Performance requested a full explanation of this matter from Connaught Laboratories in accordance with responsibilities for listing firms in the directory. On May 28 Connaught Laboratories submitted details of steps taken which would eliminate the deficiencies in question and ensure compliance with requirements for manufacturing facilities and controls. These actions by the firm were considered as adequate remedial action.

In summary, therefore, in inspections conducted in early 1973 and 1974 some deficiencies were found in conditions of manufacture of certain Connaught products. I must emphasize that none of these deficiencies resulted in the production or sale of products which were considered to be a hazard to health, nor did the products themselves contravene legal standards. Adequate remedial action was undertaken by Connaught Laboratories to satisfy concerns of the Health Protection Branch.

• (2210)

NATIONAL DEFENCE—OVERHAUL OF BOEING 707'S BY TRANSAIR—SUGGESTED CONSIDERATION OF EMPLOYEES OF CANADIAN AVIATION AND ELECTRONICS

Mr. David Orlikow (Winnipeg North): Madam Speaker, on February 19 I directed two questions to the Minister of National Defence (Mr. Richardson) having to do with the decision of the government to award contracts on the overhaul of the Department of National Defence Boeing 707's in Winnipeg to Transair despite the clear promises by the minister and the Prime Minister (Mr. Trudeau), in May and June of 1974, that the work would be given, and indeed that work would be expanded, at the Canadian Aviation Electronics operation in Winnipeg. I am sorry that the minister is not here because I will be quite critical of him in light of the promises which he and the Prime Minister made during the election campaign and which have been so obviously and clearly ignored.

In May 1974 the Winnipeg *Free Press* reported in a front page story as follows:

> Air Canada will build a new maintenance hangar, valued at between $12 million and $15 million at Winnipeg International Airport . . . the Prime Minister announced Thursday.

The news story went on to say:

> In calculating the total employment of 800, he said the government is taking into account the existing 360 men at CAE and about 125 Air Canada employees involved in minor maintenance checks at Winnipeg on aircraft passing through.
>
> Prime Minister Trudeau said he sees no problem in accommodating any Air Canada technicians who want to move their families from Montreal back to Winnipeg. Many of the technicians moved to Montreal in 1969 rather than take work with CAE.

On June 14, 1974, the Winnipeg *Free Press* carried "A Letter from Jim Richardson about Air Canada and a Stronger Aerospace Industry in Winnipeg". In that letter the minister said:

> In addition to the aircraft maintenance work that will be done by Air Canada personnel on Air Canada's planes in these buildings, space will

be leased to CAE in the Air Canada hangars to enable CAE to continue all of the repair, overhaul and manufacturing work now being done on defence aircraft and commercial aircraft. In particular CAE will be able to undertake the major 10,000 hour repair and overhaul of the National Defence Boeing 707 aircraft.

Later in the same letter the minister said:

The federal government has established as an initial objective the achievement of 800 aerospace jobs, including personnel working on the base for CAE as well as for Air Canada.

Later he said:

Because the major 10,000 hour repair and overhaul work on the National Defence Boeing 707's will be done in Winnipeg by CAE in the Air Canada buildings, Winnipeg will have a repair and overhaul capability equal to the aircraft repair and overhaul capability anywhere.

On December 28 an announcement was made that the contracts for servicing the DND planes had been given not to CAE but to Transair, despite the promises made by the Prime Minister and the Minister of National Defence to which I alluded. In 1971, CAE had a top employment of about 1,000. In the fall of 1974 this had fallen to 350. It is now down to about 200. The minister said again and again that there will be 800 workers working in the aerospace industry in Winnipeg. That may be true, although there are as yet no signs of that.

But the minister has given no assurances, and made no plans for the present CAE workers despite the promises made by the Prime Minister and the minister during the election campaign that the job rights of 200 CAE employees who were there a month ago—some of them are probably gone by now—will be given first opportunity on the work which supposedly Transair will get and which supposedly Air Canada will turn over to Transair.

These are the promises the minister made. Let me quote just one more which appeared in an article by Frances Russell in the Winnipeg *Free Press*. The minister is quoted as saying the following:

"I've been CAE's defender for five years and I don't want to see them shunted aside. We must resolve a phase-out with them and protect the jobs of the men until they can be taken by Transair and others.

I see that my time has almost elapsed. I am sorry that the minister is not here to explain the situation. I think he should be, not for me, but for the people to whom he gave such strong assurances. The minister and the Prime Minister promised that not only would the facility be maintained in Winnipeg, and that it would be expanded, but that the workers who had been working in the aircraft industry for CAE would continue to have jobs. Those promises so far have proven worthless, and I hope that the minister and his department can say very quickly what they propose to do to fulfil the promises which were made to protect the jobs of those who are there now, and to allay the real fears they have at the present time.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Madam Speaker, the minister regrets that he is unable to be here tonight, but the report I will give to the hon. member has been approved by the minister, and I want to make that quite clear.

As the hon. member knows, the contract for repair of Department of National Defence Boeing 707 aircraft has been awarded to Transair Limited of Winnipeg. The contract was let on the basis of the most effective use of public funds. That company is now in the process of hiring capable and responsible personnel and making preparations to commence overhaul work on the Boeings. The first aircraft is scheduled for overhaul in early June of 1975, with the remainder following at intervals of three to four weeks.

Transair Limited of Winnipeg has commenced hiring personnel, and preference is being given to CAE employees, especially to those who had previous employment with Air Canada. As the repair program develops more people will be hired, and it is anticipated that over 250 personnel will be in the employ of Transair by this summer.

When the Minister of National Defence (Mr. Richardson) responded to the hon. member's question on this subject last month, he said that the government commitments made in June last year are in the process of being fulfilled. One commitment was that the Boeing 707 repair overhaul would be undertaken in Winnipeg, and that is taking place. Another commitment was that there would be a larger Air Canada presence, and there has been an announcement of a new hangar, which is being constructed. Another commitment was the setting of an objective of creating 800 aerospace jobs. That objective is also in the process of being fulfilled.

I wish to assure the hon. member that every attempt is being made to find employment for CAE employees seeking employment at Transair or elsewhere, but particularly at Transair where the Boeing work is being done.

COMMUNICATIONS—ABANDONED PINE TREE RADAR BASE—GOVERNMENT ACTION TO PREVENT DAMAGE—INQUIRY AS TO POSSIBLE FUTURE USE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Madam Speaker, while I appreciate the appearance of the Parliamentary Secretary to the Minister of National Defence (Mr. Hopkins) this evening, I think the subject I will be presenting to him goes beyond the Department of National Defence to Public Works, and I was hoping to see the Minister of Public Works (Mr. Drury) or his parliamentary secretary here. However, I hope to get more definitive answers to my question regarding the need for action by the federal government to preserve the property and land known as the Pine Tree radar site located in western Newfoundland, about 10 miles from the fast growing area known as Stephenville in the Port au Port area. This site served the United States air force base during the second world war as part of a line of radar communication in their complete North American defence mission.

The United States Ernest Harmon air force base located in nearby Stephenville was vacated by the American air force in the early 1960's. The Pine Tree site remained in existence and manned until 1971, and the American government left the land and property to the federal government.

● (2220)

Just to give you an idea of the technical equipment remaining, there are two domed radar screens of untold value which were used to monitor all flights operating strategically in the defence mission, as well as saucer type

pretty massive microwave beams. Strangely enough, Telesat Canada is evidently making use of the dome and the CBC is using a main tower, which still exists, in its system of communication, and evidently Marconi is operating a TACAN monitoring system.

Strangely enough too, in the forecast of improvements to the Stephenville airport it appears likely that some installations will be located on the site by the Department of Transport to support air travel to that airport.

Also left by the United States government was housing accommodation for the some two hundred officers and men who were stationed there, as well as a first class officers' club, NCO's club, a modern snack bar, dining facilities, a first class gymnasium and a bowling alley with almost new ancillary equipment. It has been provided with a water supply with pumping facilities. As an example, Mr. Speaker, one of the community leaders in the area was interested in obtaining a chlorinator which was on the premises, and ended up having to purchase one for $1,800.

Evidently caretakers were left there by the Americans after they vacated the site until I believe, June 1972. Is it not a wonder that federal departments and agencies that apparently had a decided interest in the use of the technical equipment were not interested enough to bring to the attention of responsible officials the continuing need for caretaker services, and so allowed the property to be vandalized to disgraceful proportions.

As I indicated before, the assessed value of the property at that time was $3½ million. I doubt those figures are accurate, but certainly at replacement value the buildings and property are worth double.

I think that I have done everything within my power to bring the matter to the attention of all concerned as I did in the House recently, on the basis of my feelings about the unfortunate circumstances that were allowed to prevail. I have been in touch with the property and management officials at the Department of Public Works and some officials at the Department of National Defence who are now pursuing the matter with regional officials.

It appears as if the Department of Public Works will ask the provincial government if it wishes to take the property over, subject to reserving the right to federal interest by the departments and agencies that I have mentioned. I have contacted the provincial minister of public works who indicated his readiness to consider a proposal by the federal government. I think we have things moving now, but it is imperative that the Department of Public Works immediately hire a caretaker staff to protect this very valuable property from further vandalism.

It is my opinion that the site could become a recreational centre for a wide area of the local population, or even on a provincial basis. It is my intention to bring this matter to the attention of provincial government officials responsible for sports and recreation. Further, there is no reason why the site could not become a historic site to hold in perpetuity the memory of the importance of the location in the over-all war efforts of our allies. I feel that the United States government might be interested in co-operating on such a project.

While the parliamentary secretary is here, Mr. Speaker, I would mention the increase in the militia battalion in Newfoundland and the evidence of the formation of a branch in Stephenville, which is just ten miles from this site. It would be an excellent training ground for militia on a regional or battalion basis.

My purpose in rising tonight is to impress on the parliamentary secretary the need to protect the property. Its protection should be afforded the highest priority. Personnel should inspect it and protect it from the ravages of vandals, who are causing many millions of dollars of damage.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Madam Speaker, may I say to the hon. member how much I and many others appreciate the work he has done for the militia and the interest in it he again expressed this evening. I also appreciate his concern about vandalism. Recently a Pine Tree line radar station in my constituency was closed but, fortunately, we have not encountered the type of problem to which the hon. member alluded. Nevertheless, I appreciate his concern. I also agree with the hon. member that radar stations on the Pine Tree line were kept in excellent shape by the people who occupied them.

Until June 30, 1971, the 722 acres of land and buildings at Table Mountain, Newfoundland, were operated by the United States Air Force as a NORAD radar station. The land was granted to the U.S. government as part of the 1951 Pine Tree agreement by the government of Canada. The buildings and equipment were United States property. In June, 1971, the USAF deactivated the radar site and abandoned the property, taking with them their electronic equipment and other gear. The Tactical Air Navigation installation which had been operated by the USAF was turned over to the Department of National Defence, which has operated and maintained it as an unmanned but secure site ever since. The TACAN equipment is maintained under contract with Canadian Marconi Limited.

In October, 1971, Canadian Forces station Gander was designated as the caretaker unit for the Table Mountain property and requested to raise a declaration of surplus with a view to eventual hand-over of the property to Crown Assets Disposal Corporation. Unfortunately, because of lengthy and complex negotiations with the U.S. government, the Department of National Defence was unable to obtain title to the property until July 19, 1973. On August 8, 1973, the RCMP detachment at Stephenville, Newfoundland, was asked to maintain surveillance over the property.

Canadian Forces station Gander was unable to complete the report of surplus because of weather conditions during the winter of 1974, the final report being submitted in May, 1974. In December, 1974, the site was turned over to the real property division of Crown Assets Disposal Corporation, now the Department of Public Works, for disposal. This action was delayed due to, among other things, inter-departmental discussions concerning the operation and maintenance of TACAN. Several other federal government and civilian agencies have expressed interest in portions of the property for their use. At the present time, in addition to the Department of National Defence's TACAN site, CBC maintains a transmitter on the property and the RCMP have a relay station there. The RCMP have been carrying out security checks since they were request-

ed to do so on August 8, 1973. In the summer months these checks are once in each 24-hour period. In the winter there is one check every two weeks by snowmobile, as the area is otherwise inaccessible.

Adjournment Debate

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. gentleman, but his allotted time has expired. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, March 12, 1975

The House met at 2.00 p.m.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF SECRETARY OF THE TREASURY OF THE UNITED STATES, MR. SIMON

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am sure hon. members would like me to extend a warm welcome to the Secretary of the Treasury of the United States, Mr. Bill Simon, who is present in the Speaker's gallery. We have had very fruitful discussions over the last 24 hours. We are very glad to have him in Canada.

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair has received notice from three hon. members of questions of privilege. They are the hon. member for Hamilton West (Mr. Alexander), the hon. member for Kootenay West (Mr. Brisco), and the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds).

All three notices pertain, on the face of it, to discrepancies or complaints about the quality of answers given by ministers in the House in recent days. I am, of course, duty bound to listen to the explanation of each member any time an hon. member gives the Chair notice of a question of privilege. In view of the fact that there are three of them, and that all three relate to a similar complaint, either about the quality of answers given by ministers or, alternatively, discrepancies between answers given by ministers in the House and statements made here or elsewhere.

● (1410)

I think I must caution the three hon. members that, again on the face of it, these constitute interesting questions for confrontation perhaps during the question period or other debates but probably do not, unless some other point is developed during their remarks, constitute questions of privilege.

I therefore propose, in the interests of all members of the House, to ask each of the three hon. members to develop the explanation of his question of privilege as briefly and concisely as possible.

The hon. member for Hamilton West.

* * *

PRIVILEGE

MR. ALEXANDER—ALLEGEDLY CONTRADICTORY STATEMENTS OF SOLICITOR GENERAL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I certainly abide by the ruling you have just delivered but I would suggest that I am not involved with the quality of the answers given by the minister—to whom I shall refer subsequently—but rather the contradictory statements that have been brought to the attention of the public and members of parliament.

My question of privilege revolves around the very strange and unacceptable circumstances involving the Solicitor General (Mr. Allmand), the Hamilton Police Force, and the Ontario Provincial Police. Your Honour will recall that on March 10, as recorded at page 3928 of *Hansard*, I asked a question of the Solicitor General concerning the need expressed by the Hamilton city council, as exhibited on October 31, 1972 by resolution, to have a full scale open inquiry regarding activities around the Hamilton harbour. The minister replied:

> Mr. Speaker, it is true that in September, 1972, some person or persons from the Hamilton city council came to the RCMP detachment in Hamilton with certain allegations of wrongdoing with respect to the Hamilton harbour. On examination of those allegations by the local detachment, the local detachment felt these were matters which gave rise to accusations under the Criminal Code and in the ordinary course such investigations should be undertaken either by the Hamilton City Police or by the Ontario Provincial Police. For that reason, the officials went to the OPP and the Hamilton City Police but the latter felt they did not have the resources necessary to carry on that kind of investigation—this is what I am told.

Further on the minister indicated as follows:

> They did decide to investigate in any case, because the others were not ready to do so.

It has also been alleged that the minister has indicated that any delay was at the police level in Hamilton. According to subsequent information we can come to the conclusion, and I say this with all due respect, that the minister either misled the House or has no idea what is happening in his department. Administrative negligence and incompetence are involved here.

After the minister made those statements one would assume that he knew what he was talking about. But then there was a strange revelation which is extremely damaging to the minister. I refer to statements made not only by the chief of the Hamilton City Police but also by an inspector of the OPP. In a lead story in the Hamilton *Spectator* of March 11 it is indicated:

> The Ontario Provincial Police and the Hamilton Wentworth regional police today denied they were ever asked to carry out an investigation into alleged wrongdoings involving the Hamilton Harbour Commission.
>
> Solicitor General Warren Allmand said last night that any delays in the harbour investigation were at the police level in Hamilton and not at the political level in Ottawa.

And what is most important, Mr. Speaker, is that the article goes on to say:

> Assistant Commissioner Ken Grice of the OPP said his department was never asked by anyone to carry out an investigation.

Most of the next sentence appears in quotation marks and reads:

"We were never asked and only became aware of the investigation after it was well under way," he said.

The assistant commissioner then said this about the Hamilton city police:

"We have a criminal investigation branch second to none and there is no question that we were not capable of carrying out an investigation. We have handled investigations far more complex than this, . . ."

The article goes on to say:

Regional Police Chief Gordon Torrance also said today that he could not recall his department being asked to carry out an investigation.

"We were not asked by the RCMP or anyone to investigate," he said.

It is evident that there is a serious and major conflict between the chief law enforcement officer of the land and others. He has openly contradicted the assertion of the local police of the city of Hamilton and of the Ontario Provincial Police. I suggest that this is unprecedented. It is incumbent on members to ascertain facts. When did the investigations begin? Who started the investigations? Who called for them? Why were they delayed, and who is correct, the minister, the local police of the city of Hamilton, or the Ontario Provincial Police?

Accordingly, if Your Honour finds I have a prima facie case of privilege, I would move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the whole matter of police investigations into the Hamilton harbour activities be referred to the Standing Committee on Justice and Legal Affairs.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the information I gave to the House in the last few days with respect to this matter was, of course, information I had obtained from RCMP headquarters in Ottawa. I did not personally get in touch with the Hamilton police or the OPP in 1972. I was not even minister at that time. Neither did the officials here in Ottawa do that. I am led to believe that the contacts were made at the local official level. I have now asked for details of how this contact was made and with whom.

Let me make it clear that the main issue in this case is that there was some wrongdoing in Hamilton. An investigation was undertaken by the RCMP. The wrongdoers were found.

Mr. Forrestall: Some of them.

Mr. Allmand: Five people have been charged, and three were found guilty. Today we charged an additional 14 individuals in this matter, and 12 more corporations. The investigation has been a very successful one, and justice is being carried out.

Some hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, the hon. member for Hamilton West (Mr. Alexander) is dwelling on incidents which took place at the beginning of the case, on discussions between police forces concerning who had jurisdiction. That is not the main thing; it is peripheral to the main issue. The main issue is that there was wrongdoing. An investigation has taken place and we found the people who are allegedly responsible for the wrongdoing. A large number of charges were laid before today, and also today and, as I said, justice will be done in this case.

Some hon. Members: Hear, hear!

Some hon. Members: Withdraw!

Mr. Speaker: Order, please. The hon. member for Hamilton West gave the Chair notice of his question of privilege and, in accordance with what I indicated earlier, was given an opportunity to develop the contents of the question of privilege. In fairness, the Solicitor General was given an opportunity to respond. I should simply add that nothing that has taken place since I made my preliminary remarks persuades me that the hon. member has raised a question of privilege and not a question of debate. That being so, I will call on the hon. member for Kootenay West (Mr. Brisco), who also wishes to rise on a question of privilege.

● (1420)

MR. BRISCO—ALLEGEDLY CONTRADICTORY STATEMENTS OF MINISTER OF STATE FOR URBAN AFFAIRS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I rise on a question of privilege. On March 10, during the oral question period, I asked the Minister of State for Urban Affairs (Mr. Danson) the following question as reported at page 3928 of *Hansard*:

Has the minister written a letter or letters to Liberal members of parliament or Liberal party members asking for the name or names of lawyers in the respective constituencies who support the Liberal party with a view to awarding CMHC mortgage business to these party supporters who belong to the legal profession?

The minister replied:

In no such terms at all.

I submit that a reply of that nature couched in those terms would indicate a generalization and infer that regardless of the specifics of my question, the letter had not been written to Liberal members of parliament with reference to the acquisition of the names of Liberal lawyers who handle CMHC mortgage business. On the same day, the same minister made a statement outside the House which is a direct contradiction of the answer he provided members of this House. I am aware of the fact that Your Honour has ruled on this form of question of privilege with reference to statements made by ministers outside the House, but surely ministers have a moral obligation to avoid flirting with the truth in these chambers regardless of what they wish to say outside the House.

In effect, the minister denied the import of my question in this House, but on the same day the Toronto *Star* carried the news story "Liberal lawyers handle most of Ottawa mortgages" and under the picture of the minister it states "sent MP's letter." The first two paragraphs provide the truth which I sought in this House. I quote:

Legal work on "the vast majority" of mortgages issued by the Central Mortgage and Housing Corporation is handled by Liberal lawyers, Urban Affairs Minister Barney Danson admitted yesterday.

Danson made the admission after the *Star* obtained a copy of a "personal and confidential" letter—

Mr. Speaker: Order, please. The question of privilege put forward by the hon. member for Kootenay West (Mr.

Brisco) is a serious one, as was the previous question of privilege and as will be, I am sure, the following one. It is a matter of some concern that these questions have to be raised. I have given a preliminary view of what I feel is the correct interpretation of our Standing Orders with regard to these questions. However, I believe that any member who takes time to give the Chair notice of a question of privilege for the purpose of raising a serious point ought to be given the attention of the House.

Some hon. Members: Hear, hear!

Mr. Brisco: I will be very brief, Mr. Speaker. I continue the quotation from the Toronto *Star* of Tuesday, March 11:

> Danson made the admission after the *Star* obtained a copy of a "personal and confidential" letter he sent last month to all Liberal MP's asking them to be quick when invited to recommend a lawyer to handle a mortgage from the federal corporation.

Some hon. Members: Shame.

Mr. Brisco: As matters stand at the present, we are subjected to direct contradiction of that policy. Surely, Mr. Speaker, for the benefit of all members and the people that we serve, some vehicle must be developed that will oblige members of parliament, particularly ministers, to make statements of fact in the House of Commons that will not be in conflict with statements made later outside the House.

Some hon. Members: Hear, hear!

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, if I may quote the hon. member's question of March 10, he said:

> Has the minister written a letter or letters to Liberal members of Parliament or Liberal party members asking for the name or names of lawyers in the respective constituencies who support the Liberal party with a view to awarding CMHC mortgage business to these party supporters who belong to the legal profession?

I would not even bother rising to speak on this question of privilege except the hon. member suggested I was flirting with the truth and made statements outside the House different from inside the House. The import of his question was that I asked members for names of those who were party supporters. That is not the case. I asked for the names of legal agents—

Mr. Fairweather: Did you ask anybody on this side of the House? No!

An hon. Member: Who did you ask?

Mr. Danson: The hon. member's question of privilege, as I understand it, is based on the assertion that I did not answer accurately in the House. I did answer accurately in the House. I answered further questions outside. There was no suggestion regarding party supporters—simply the names of those qualified to handle this business. I have received suggestions from all sides of the House—

Some hon. Members: Oh, oh!

Mr. Danson:—and they have been given due consideration. I find it a strange coincidence in this country that the best lawyers to handle this work in Ontario happen to be Conservatives, the best in British Columbia are NDP and the best on the national scale, as always, are Liberals.

Some hon. Members: Hear, hear!

Mr. Speaker: The facts surrounding the question of privilege of which the Chair has given notice by the hon. member for Kootenay West are not dissimilar, basically, from those referred to by the hon. member for Hamilton West, and neither is the decision of the Chair.

MR. REYNOLDS—ANSWERS OF SOLICITOR GENERAL CONCERNING INVESTIGATION OF DREDGING CONTRACTS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question of privilege relates to the same subject as was raised by the hon. member for Hamilton West, that is to say, the investigations being carried out in British Columbia and the answers the Solicitor General gave us on February 27 and March 7. In order to save the time of the House, having regard to your two previous rulings, Mr. Speaker, I will withdraw my question of privilege; I am sure that in the long run the people of Canada will get the answers to this sorry mess as the people of the United States did when they had the Watergate investigation.

Some hon. Members: Oh!

An hon. Member: Cheap!

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

CANADIAN POSITION ON JURISDICTION OVER COASTAL WATERS AT LAW OF THE SEA CONFERENCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The Law of the Sea Conference is to take place in Geneva on March 17, 1975. Accordingly, I would move that the following motion be presented to all delegates at the conference in order to reaffirm the Canadian position on this issue, namely:

> That this House accept the principle that Canada and other coastal states own the fishery resources on and over their respective continental shelves and slopes, that the management of the fishery resources is the responsibility of the coastal states, that other states may fish such resources only with the permission of the coastal state, and, further, this House agrees that in implementation of this policy Canada must provide adequate surveillance so that swift action can be taken when Canadian interests are threatened or violated.

● (1430)

Mr. Speaker: The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43 it cannot be debated without unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—SUGGESTED MEASURES TO SETTLE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, under the provisions of Standing Order 43, I seek the unanimous consent of the House to discuss matter of urgent and pressing necessity.

On view of the fact that the current conflict—

Mr. Guay (St. Boniface): Welcome!

Mr. Matte: Mr. Speaker, we could very well do without the comments of the hon. member who has nothing cheerful about himself but his name.

On view of the fact that the current conflict between the government and Public Service blue collar workers greatly disturbs the administration and economy of Canada, particularly with regards to the handling of feed grains, which is seriously damaging Canada's balance of payments, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That the President of Treasury Board summon all employees back to work and offer them salaries in line with those paid in the private sector, so as to put an end to work stoppages in the grain industry and elsewhere.

Mr. Speaker: Order, please. The House has heard the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; the motion therefore cannot be put.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 10, 245, 403, 553, 629, 827, 877, 909, 1,002, 1,081, 1,167, 1,205, 1,244, 1,246, 1,257, 1,291, 1,303, 1,318, 1,324, 1,328, 1,334, 1,356, 1,446, 1,448, 1,450, 1,459, 1,467, 1,468, 1,471, 1,472, 1,476, 1,479, 1,515, 1,519, 1,547, 1,549, 1,566, 1,567, 1,569, 1,572, 1,580, 1,586, 1,715, and 1,724.

[Mr. Speaker.]

Mr. Speaker, if questions Nos 40, 317, 397, 609, 1,083, 1,550 and starred question 1,530 could be made orders for return, these returns would be tabled immediately.

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

[*Text*]

AMENDMENTS TO INCOME TAX ACT

Question No. 10—Mr. Reynolds:

1. What would be the estimated cost to the Federal Treasury if the 11 per cent federal sales tax on building materials were removed?

2. What would be the estimated cost to the Federal Treasury if interest on the mortgages were allowed to be deductible before calculation of income tax?

Hon. John N. Turner (Minister of Finance): 1. An exemption from sales tax for all building materials would reduce revenue by an estimated $830 million. The proposals in the November 18 budget to reduce federal sales tax to 5 per cent on a comprehensive list of construction materials will result in an estimated revenue loss of $450 million.

2. Allowing interest on mortgages to be deductible for income tax purposes would result in a revenue loss to the federal government approaching $1 billion.

WINTER CAPITAL PROJECTS FUND—CONSTITUENCIES OF SASKATOON-BIGGAR AND SASKATOON-HUMBOLDT

Question No. 245—Mr. Hnatyshyn:

For the constituencies of Saskatoon-Biggar and Saskatoon-Humboldt, what projects have been approved by the government under the Winter Capital Projects Fund and, for each project, what were the (a) details (b) locations (c) amounts involved?

Hon. John N. Turner (Minister of Finance):

Saskatoon—Biggar (b)	(a)	(c)
R.M. of Mayfield No. 406	rural municipal office	$ 22,000
Rosthern	construction of water main	230,000
Saskatoon School Unit No. 42	addition to Radisson School	152,000
Saskatoon School Unit No. 42	addition to Borden School	54,000
R.M. of Laird No. 404	building to house municipal and police dept.	44,000
Saskatoon	maintenance facilities for transit dept.	868,840
Waldheim	street rebuilding, curb and gutter construction	7,837
Biggar Union Hospital Board	32 bed general hospital	1,255,100
Saskatoon	fire hall addition	18,000
Rosthern School Unit No. 49	addition to Rosthern Elementary School	245,900
Rosthern School Unit No. 49	addition to Hague school	135,180
Rosthern School Unit No. 49	addition to Warman school	868,920

Saskatoon—Humboldt (b)	(a)	(c)
Watson	renovations to water treatment plant	45,000
Saskatoon S.D. No. 13	new elementary schools	1,900,161
Cudworth	construction of water supply	37,500
Humboldt	addition to arena	100,000
Humboldt S.D. No. 1529	renovate public school	138,682
Humboldt Collegiate Inst.	construct and renovate classrooms	1,219,493
Naicam	street surfacing	69,023

CONDEMNATION OF MARIJUANA AND ITS HARMFUL EFFECTS—UNITED STATES SENATE SUBCOMMITTEE

Question No. 403—**Mr. Reynolds:**

1. To the knowledge of the government, did a United States Senate Subcommittee, in conjunction with the United States Department of Health, on Monday, October 7, 1974, issue a condemnation of marijuana and its harmful effects and, if so, does the Minister of National Health and Welfare intend to make these results known to the Canadian people through an educational format?

2. Does the government intend to make the youth of this country aware of the findings of the American Academy of Science, as published in their journal *Science* August 23 and 30, 1974 issues, regarding harmful effects of marijuana usage?

3. For what reason have no steps been taken by the Department to make available information and documentation on the harmful effects of marijuana to the potential marijuana users in Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The government has received the Report of the United States Senate subcommittee entitled "Marijuana—hashish epidemic and its impact on United States Security." Twenty-four eminent researchers from a number of countries testified before the committee chaired by Senator James O. Eastland. The chairman states in the report that these hearings were convened specifically to demonstrate that a number of highly reputable scientists regard cannabis (marijuana) as an exceedingly dangerous drug. Comparable scientists and some commissions of enquiry, have failed to corroborate the extreme concern expressed by those who testified before the Senate subcommittee. The government has consistently stated that it considers that marijuana is a potentially dangerous drug. The policy announced on July 31, 1972, by the then Minister of Health and Welfare, the Hon. John Munro, made it very clear that the possession of marijuana would not be made legal because of serious concerns about the drug's effects on physical and mental health. These concerns remain unchanged as illustrated by the statement of the present minister on November 26, 1974. The government has taken steps to inform the Canadian public of the hazards involved in use of cannabis and other drugs through books, pamphlets, multi-media kits and films.

2. The government will continue to inform the public of hazards involved in use of marijuana and other drugs.

3. Answered in 1 and 2.

DEPARTMENT OF FINANCE—RESEARCH EXPENDITURES

Question No. 553—**Mr. Symes:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 by the Department of Finance on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Hon. John N. Turner (Minister of Finance): In so far as the Department of Finance is concerned: 1. 1972-73, $284,185; 1973-74, $203,529.

2 and 3. See reply to question No. 397.

NOTE: Where a report was submitted the title related to the purpose of the assignment.

LAND TITLE RESEARCH—ST. LAWRENCE RIVER

Question No. 629—**Mr. Cossitt:**

1. Is the Department of the Environment or any other department conducting land title research along the St. Lawrence River waterfront or on the Gananoque River at Gananoque, Ontario and, if so (a) for what purpose (b) what specific land or areas are involved (c) on what date did such research commence and by whom is it being conducted?

2. What are all the plans the government has for the waterfront area at Gananoque, Ontario and do such plans include (a) redevelopment of the town waterfront and, if so, on what basis (b) development of waterfront recreational and boating facilities and, if so, of what nature?

3. Has the government through any of its departments designated the Gananoque waterfront area as a priority development area and, if so, what are all the details in regard to this?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of the Environment and Public Works as follows: 1. Yes. (a) To assess the potential for future development of harbour facilities for recreational boating and sports fishing. (b) The federal boundaries of the harbour of Gananoque. (c) This research started in Ontario in October 1974. It is being conducted by the Regional Manager, Small Craft Harbours, Burlington.

2. At the present time, no plans have been formulated for either the redevelopment of the town waterfront or the future development of recreational boating facilities at this location.

3. The same priority has been given to the development of the Gananoque waterfront as other locations in the province.

Order Paper Questions

CANADIAN COMMERCIAL CORPORATION—PERSONNEL

Question No. 827—**Mr. Stevens:**

1. As of March 31 in each year 1968, 1970, 1972 and 1974 (a) how many were employed by the Canadian Commercial Corporation (b) what would have been their aggregate salaries if all were employed for a full year (c) how many had salary levels of (i) $20,000 or more (ii) $35,000 or more (iii) $50,000 or more?

2. What was the salary or the salary range for each of the five highest paid employees of the Corporation?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as the Canadian Commercial Corporation is concerned: 1. (a) The Royal Commission on Government Organization (Glassco Commission) in February 1963, Volume 5, recommended that "The legal identity of the Canadian Commercial Corporation be maintained but its management and staff be provided by the Department of Defence Production (Purchasing and Supply)". In 1964, this recommendation of the commission was implemented and the staff of the corporation was merged into the Department of Defence Production (Now the Department of Supply & Services.) As DSS resources are used for the operations of the corporation, the applicable man-years are included in the supply revolving fund and the administration program of the Department of Supply & Services. The estimated cost of administrative services shown in the corporation's annual report represents an apportionment of manpower and related services costs based on the volume of contractual business in a given year. Other client departments are charged on a similar basis and it is therefore difficult to determine with any precision the number of man-years involved. (b) Not applicable; (c) Not applicable.

2. Not applicable.

COMMODITY VALUE AND TRANSPORTATION COST WITH RESPECT TO FOREIGN AID SHIPMENTS

Question No. 877—**Mr. Stevens:**

1. From April 1, 1968 to the date this question is answered, what was the total commodity value and transportation cost incurred by the government with respect to CIDA and other foreign aid shipments carried on ships recorded in the appropriate annual issues of the *International Shipping and Shipbuilding Directory* as being owned by World-Wide (Shipping) Ltd. of Hong Kong, a Company in which Mr. Y.K. Pao is a Director and a substantial shareholder?

2. For the same period, how many of such ships were chartered or part-chartered and how many liner shipments were made in such ships directly or indirectly by the government in connection with the shipment?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Supply and Services as follows: 1. Based on Lloyd's Register of Ships 1972-73 edition, which records the registered owners of ships, we can report that no tonnage was carried by World Wide (Shipping) Limited of Hong Kong. The International Shipping and Shipbuilding Directory, 1972 edition, pages 140 and 141, lists the ships in service by World Wide (Shipping) Limited. We can, again, report that no tonnage, either charter or part charter, was carried on ships in operation by World Wide (Shipping) Limited.

2. The Department of Supply and Services undertook to arrange full characters as of April 1, 1971. As concerns liner shipments, a total of 9,167 were made on behalf of CIDA as follows: April 1, 1968 to March 31, 1969, 720; April 1, 1969 to March 31, 1970, 972; April 1, 1970 to March 31, 1971, 1,108; April 1, 1971 to March 31, 1972, 1,567; April 1, 1972 to March 31, 1973, 1,416; April 1, 1973 to March 31, 1974, 2,110; April 1, 1974 to October 31, 1974, 1,274. The department does not have the necessary resources to research the many individual commodity contracts to ascertain whether the tonnage was moved on ships in which Mr. Pao has an interest.

NOTE: Prior to 1971, the information is not available.

CANADA ASSISTANCE PLAN—RETRAINING AND WORK PERMITS

Question No. 909—**Mr. Herbert:**

1. In reference to the answer to Question No. 254, what action is taken, if any, when the trained individual does not have and cannot borrow the other 50 per cent of the costs and what action is taken, if any, when the trained individual has been unsuccessful in his or her attempts to obtain a work permit in their trade?

2. Is training offered to a unilingual person if it is recognized that work permits or competency cards might be difficult to obtain because of the language of the individual?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of National Health and Welfare and Manpower and Immigration as follows: 1. The Department of National Health and Welfare, through the Canada Assistance Plan will share on a 50-50 basis with the provinces in the cost of work permits and tools when the province recognizes this situation as a special need. The province may supply the assistance on a 100 per cent basis. The issuing of work permits is a provincial matter.

2. Work permits and competency cards are issued by provincial authorities, who are also responsible for the content of the training courses purchased under the Adult Occupation Training Act. Moreover, every effort is devoted by the federal-provincial manpower needs committee to ensuring that training priorities match the labour market needs in each province. There are very few cases in which those completing training encounter difficulty qualifying for the work for which their course was designed. Isolated cases can only be discussed in specific terms. In offering training to an individual, the prime consideration of the manpower officer, once the individual's basic eligibility has been determined, is whether employability or earning capacity will be enhanced by the training. All pertinent factors, including language fluency, are considered in this decision.

DEPARTMENT OF JUSTICE—TRANSLATION OF DOCUMENTS

Question No. 1,002—**Mr. McKenzie:**

1. What documents of any and all description (such as any type of form, records, stationery, employee directives, etc.) within the entire Department of Justice have to be translated into the French language?

2. Retroactive to what date will all past records of the Department have to be translated?

3. At what date must all of these translations be completed?

4. What amount of money was spent in the years 1973 and 1974 for translating such documents?

5. What will be the total cost of translating all existing documents, forms, stationery, records, etc. within the Department's entire operation?

6. What is the total additional yearly cost of ordering all new forms, stationery, etc. in two languages compared to the cost in one language?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Justice and the Secretary of State as follows: 1. All forms, stationery, employee directives dealing with the internal operation of the department, correspondence if necessary, press releases, competition posters and memoranda to all employees.

2. There is no requirement to translate past records except where and when any such records are put into general use or are distributed generally.

3. Not applicable.

4. It is difficult to provide a precise answer to the question in terms of the Department of Justice, since, in order to achieve greater efficiency, the government of Canada has consolidated all translation, interpretation and terminology services under a single administration, designed to serve all the departments and public bodies which depend on them. Costs are not apportioned according to the types of activities mentioned above. However, the total demand for translation as represented by the number of words is available for the years 1972-73 and 1973-74. The production in words for 1972-1973 was 1,529,-659; for 1973-74 it was 1,602,088. On the basis of an analysis of operating costs for the translation bureau, the total operating costs are estimated at about ten cents per word for the two years in question.

5. None. Existing documents, forms, stationery, records, etc. already meet the requirements of the Official Languages Act.

6. There are no records of the cost of ordering new forms and stationery in two languages compared to the cost in one language.

LIP—PROJECT No. X1074

Question No. 1,081—**Mr. Cossitt:**

1. With reference to the Local Initiatives Programme Project Number X1074 in the name of the Silver Harbour Manor Society, what is the job designation and what are the duties of Mr. Dobbie who wrote a hand-written memo dated April 26, 1973, stating in part "...originally rejected. Has been the subject of some political pressures. Does not provide employment to those likely to be seeking work"?

2. What is a full description of all details of the political pressures to which Mr. Dobbie refers, including in what ways and on what dates and by whom such pressures were applied and all details of the part played therein by the Honourable Jack Davis, Minister of the Environment at the time?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Mr. Dobbie was a project Officer (PM3) at the time that the Project X1074 was funded. His duties at the time were to close out the files of completed projects and to assess projects for possible extension should more funds become available. Other PM3 duties: Under the general direction of a Senior Project Officer (PM4) the duties of a project officer were: (i) To analyse and evaluate project applications submitted by municipalities, communities, local organizations and groups having a Federal contribution of between $75,000 and $200,000. (ii) To prepare the correspondence needed to inform project sponsors as to the approval or rejection of their application. (iii) To provide advice and information to the Senior Project Officer, and, through this Officer, provides advice and guidance to the Project Officers in the Department's Regional Offices. (iv) To visit and to monitor certain already approved projects; (a) by ensuring that progress, on-site and audit reports are received at Headquarters; (b) by analysing and interpreting the above-mentioned reports, and taking needed action personally or by effectively recommending the appropriate action to be taken; (c) by ensuring that advance and interim payments of the Federal contribution are adequate and exact; (d) by conducting on-site visits to approved projects for the purposes of evaluating the project and reporting on progress and financial accounting. (v) to prepare written reports of analysis and correspondence to and for the Minister, Deputy Minister, National Director and Members of Parliament, in response to enquiries about approved or rejected projects. (vi) To perform any other related duties, as may be required.

2. Only the Minister of Manpower and Immigration approves or disapproves LIP applications although he does receive recommendations from Members of Parliament of all parties, from provincial governments, and from others. The Hon. Jack Davis, as Member of Parliament for Capilano and Minister of the Environment, was in a position to give his comments on this project.

PUBLIC SERVANTS SALARIES

Question No. 1,167—**Mr. Gauthier (Roberval):**

1. How many public servants earn between $5,000 to $10,000, $10,000 to $15,000 and by $5,000 increments up to $70,000 per year?

2. How many earn over $70,000 per year and what is their classfication?

Hon. Jean Chrétien (President of Treasury Board): 1. 163,156 public servants earn between $5,000 and $10,000. 80,476 public servants earn between $10,001 and $15,000. 25,562 public servants earn between $15,001 and $20,000. 10,408 public servants earn between $20,001 and $25,000. 4,183 public servants earn between $25,001 and $30,000. 1,873 public servants earn between $30,001 and $35,000. 762 public servants earn between $35,001 and $40,000. 115 public servants earn between $40,001 and $45,000. 24 public servants earn between $45,001 and $50,000. 15 public servants earn between $50,001 and $55,000. 6 public servants earn between $55,001 and $60,000. 0 public servants earn between $60,001 and $65,000. 0 public servants earn between $65,001 and $70,000.

2. None.

POST OFFICE, RICHMOND, B.C.

Question No. 1,205—**Mr. Reynolds:**

With reference to the advertising done for special collectors of stamps (a) for what reason does the Richmond, British Columbia post office have a sign on the collectors wicket "Closed owing to shortage of staff" (b) how long will this situation exist and, if until after Christmas, what are people to do who want to buy special stamps, books, collections, etc. for Christmas gifts as advertised?

Order Paper Questions

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): (a) The sign in question was not authorized by the station manager and was placed on the Philatelic Sales Counter without his knowledge by a person or persons unknown. Upon discovery of the sign, it was removed, which was within a few hours after it had been originally placed on the counter. (b) The closing of the collector's wicket was of a temporary nature only for part of one normal working day and the wicket was reopened for business later the same day.

MORTGAGE LOANS BY CHARTERED BANKS

Question No. 1,244—**Mr. Herbert:**

1. In the last twelve month period for which information is available, what proportion of lending in the Canadian mortgage market was by the chartered banks?

2. By how much per annum did this percentage change in the previous five years?

3. Does the discretion in the hands of the lenders as regards flow of funds and maintaining of interest rates create an artificial crisis in the housing market?

Hon. John N. Turner (Minister of Finance): 1. In the 12 month period ending in August, 1974, chartered banks approved 28 per cent of mortgage loans on new and existing residential property.

2. Percent of residential mortgage loans approved by the chartered banks. 1969, 12 per cent; 1970, 12 per cent; 1970, 16 per cent; 1971, 24 per cent; 1972, 27 per cent; 1973, 30 per cent.

3. Many financial institutions compete for business in the mortgage lending market. Such competition ensures that the flow of funds into mortgages and that the mortgage interest rates charged by the institutions are basically set by market forces.

EXEMPTIONS FROM GARNISHMENTS

Question No. 1,246—**Mr. Herbert:**

1. Does the Quebec Code of Procedure state that only military personnel are exempt from garnishment?

2. Do the federal authorities maintain the attitude that employees in the Public Service are also exempt?

3. Is there any evidence that those granting credit are hampered in the recovery of their claims against federal employees?

Hon. Jean Chrétien (President of Treasury Board): 1. No reply. The question relates to a matter which falls within provincial legislation.

2. Garnishee orders in respect of wages are directed to the employer. Moneys payable by the Crown as wages to public service employees cannot be garnisheed because the courts are not able to make an order against the Crown. The legislative provisions prohibiting the garnishments of wages of public service employees is contained in Section 81 (3) of the Financial Administration Act which reads as follows: "s.81(3) Notwithstanding subsection (1), any amount due or becoming due by the Crown as or on account of salary, wages, pay or pay and allowances is not assignable and no transaction purporting to be an assignment of any such amount is effective to confer on any person any rights or remedies in respect of the amount."

[Mr. Reynolds.]

The question of garnishment proceedings has been reviewed several times over the years. For a number of reasons, including some evidence of a trend to restrict the use of garnishment proceedings in other jurisdictions and the present social climate of encouraging unlimited credit, it was decided that no change should be made in the legislation. However, as a matter of policy the subject is reviewed from time to time by the Treasury Board, most recently in 1970.

3. At the recent time there is another procedure available to a creditor to obtain relief against a public servant debtor. This is by equitable execution whereby a judgment creditor may obtain from a provincial court an order restraining the judgment debtor from receiving moneys which may be due and owing by the Crown to him. At the same time, such order provides for the payment of moneys to a sheriff who is appointed as receiver for the purpose of obtaining the moneys and of giving a valid discharge therefor. This procedure is cumbersome and is not always successful, but in this procedure the order is not against the Crown.

PEACE KEEPING COSTS—CYPRUS

Question No. 1,257—**Mr. Forrestall:**

What has been the cost to the taxpayer of peacekeeping in Cyprus to December 31, 1974, or the most recent available and reliable date?

Hon. James Richardson (Minister of National Defence): The cost of peacekeeping in Cyprus since inception, in March, 1964 to December 31, 1974 exclusive of personnel costs, has been $25,159,000.

DISTRIBUTION OF 1975 CALENDARS "A LIFESTYLE PLAN FOR ALL SEASONS"

Question No. 1,291—**Mr. Reynolds:**

1. How many of the 1975 calendars "A Lifestyle Plan for All Seasons" were distributed by the Department of National Health and Welfare?

2. Was this calendar distributed by any other department of the government?

3. What was the total cost of production and printing of this calendar?

4. What were distributors costs of this calendar?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. As of January 24, 1975—5,450,000 copies were distributed.

2. Information Canada.

3 and 4. Cost of production, $40,000. Cost of printing and distribution, $245,000.

DEVELOPMENT OF ENVIRONMENT—PERSONNEL

Question No. 1,303—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of the Environment on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. (a) 10,183; (b) 10,479.

2. 1974 (a) 4040; (b) 5399; (c) 700; (d) 44. 1975 (a) 3084; (b) 6276; (c) 1008; (d) 111.

DEPARTMENT OF SOLICITOR GENERAL—PERSONNEL

Question No. 1,318—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of the Solicitor General on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. Warren Allmand (Solicitor General):

Ministry Secretariat

1. (a) 136
   (b) 183

2.

	(a)	(b)	(c)	(d)
January 1, 1974	73	42	18	3
January 1, 1975	66	72	38	7

Royal Canadian Mounted Police*

1. (a) 15,431
   (b) 16,271

2.

	(a)	(b)	(c)	(d)
January 1, 1974	5,404	9,901	122	4
January 1, 1975	2,798	13,149	302	22

*This reply includes members of the R.C.M.P. and public servants.

Canadian Penitentiary Service

1. (a) 5,780
   (b) 6,629

2.

	(a)	(b)	(c)	(d)
January 1, 1974	2,015	3,591	165	9
January 1, 1975	2,243	4,177	200	9

National Parole Board and Service

1. (a) 561
   (b) 669

2.

	(a)	(b)	(c)	(d)
January 1, 1974	296	252	12	1
January 1, 1975	297	333	18	21

NATIONAL DEFENCE—RETIRED SERVICEMEN IN RECEIPT OF ANNUITY PAYMENTS

Question No. 1,324—**Mr. McKinnon:**

1. As of December 15, 1974, to how many retired servicemen were annuity payments being made?

2. How many became eligible for increases between January 1, 1974 and January 1, 1975 for the first time under the Supplementary Retirement Benefits Act, as a result of the passing of Bill C-220 on September 14, 1973?

Hon. James Richardson (Minister of National Defence): 1. As of December 31, 1974 (Accurate information is only available as of the end of each month) the number of retired servicemen, who received annuities under Canadian Forces Superannuation Act (CFSA) and under the Defence Services Pension Continuation Act (DSPA) totaled 44,158.

2. The number who became eligible for increases for the first time under the Supplementary Retirement Benefits Act between January 1, 1974 and January 1, 1975 was 1,723.

FINANCIAL SUPPORT FOR OCEAN ENGINEERING

Question No. 1,328—**Mr. Forrestall:**

What specific funding level for 1973-74 and 1974-75 were provided to further development and maintenance of ocean engineering (a) at universities (b) in government laboratories pursuant to the "New Oceans Policy" statement of July 12, 1973 by the Minister of State for Science and Technology?

Hon. C. M. Drury (Minister of State for Science and Technology): In the fiscal year 1973-74 and 1974-75, no specific funding level was provided for the furtherance of development and the maintenance of ocean engineering at universities and in government laboratories.

SUPPLEMENTARY RETIREMENT BENEFITS

Question No. 1,334—**Mr. Forrestall:**

Is the government giving consideration to amending the superannuation legislation to provide for the payment of Supplementary Retirement Benefits regardless of age, provided a pension is payable in the first instance, with concurrent increases in contributions to the PSSRB Account and (a) if so, what is the status of these considerations (b) if not, for what reason?

Hon. Jean Chrétien (President of Treasury Board): No, because no desire has been expressed by contributing members of the pension plans involved to make the additional contributions required to meet the cost of such an amendment.

DEFENCE CONSTRUCTION (1951) LTD.—POSSIBLE TRANSFER TO DEPARTMENT OF PUBLIC WORKS

Question No. 1,356—**Mr. Herbert:**

Has consideration been given to transferring the responsibilities of Defence Construction (1951) Limited to the Department of Public Works and, if not, for what reason?

Hon. James Richardson (Minister of National Defence): In 1962 the Royal Commission of Government Organization chaired by Mr. J. G. Glassco, and in 1967-68 the Bureau of Management Studies and in 1971-72 the Management Review Group of the Department of National Defence all gave consideration to the most appropriate location for Defence Construction (1951) Limited. Each time this matter was considered it was agreed that in order to meet the objectives of the Department of National Defence a quick response capability was required within the department.

Order Paper Questions

LANGUAGE TRAINING FOR WIVES OF SENIOR OFFICIALS

Question No. 1,446—**Mr. Cossitt:**

1. With reference to the answer to Question No. 24 which, among other persons, listed Barbara Head, wife of an employee of the Privy Council Office, as one of those taking French language courses at government expense while not herself a member of the Public Service, is this individual the wife of Mr. Ivan Head, who is a member of the Prime Minister's staff?

2. What is the exact annual salary in dollars paid to Mr. Head?

3. For what reason did the government at taxpayer's expense pay for Mrs. Head's French language courses (a) was one of the reasons because the government believed that Mr. Head's salary was not sufficient for him to pay this expense himself (b) over how long a period of time did Mrs. Head take French language courses at taxpayer's expense and what was the total annual salary of Mr. Head during that period of time?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: A number of questions have been posed on language training programmes for spouses of members of parliament and senior Public Service personnel. It seems, from the points raised in each case and from previous inquiries, that some cost-related aspects of these programmes have been emphasized at the expense of other fundamental issues. It appears preferable, at this point, to provide a more comprehensive reply to questions raised in the House through clarification of these important issues. The provision of language training of spouses of Members of Parliament and senior public servants who are not themselves employed in the Public Service is founded both on legislation and on principle. Firstly, the Official Languages Act and the Parliamentary Resolution on Official Languages in the Public Service are juridical instruments which recognize and ensure the equality of status, rights and privilege of French and English in all areas of federal government action and the rights of Canadian citizens to deal with and receive services from the federal government in the language of their choice. Consequently, the government, with the support of all parties, has over a period of years, encouraged steps to enhance the bilingual character of the National Capital Region and of the Public Service at large. Secondly, the government recognizes that, as is the case in dealing with the implementation of any government policy, some costs are involved in implementing the provisions of language legislation and it is prepared to assume these costs. The government also recognizes that spouses, even though they receive no remuneration for doing so, can play a major role in assisting their spouses to carry out his or her professional responsibilities. Since members of parliament and senior executives have major representational functions in which active participation of the spouses is often required and since Parliament and the Official Languages Act dictate that Canada be represented nationally and internationally as a bilingual country, it is important that both senior executives and their spouses have a command of the two official languages. This requirement is already recognized and approved in the case of spouses of Trade Commissioners and Foreign Service Officers, whose knowledge of both official languages of Canada has proven indispensable in assisting their spouses to carry out representational or promotional duties. The same holds true for the spouses of members of parliament, affiliated to all political parties, who have participated or are presently enrolled in the language training programmes provided through the Alliance française. Furthermore, implementation of the government's policy on official languages has become increasingly important within the Public Service. Most senior executives are involved with some aspect of implementation. Assimilation of the nature of the tradition, aspirations, socio-economic factors of the other culture which is one implication of language training programmes could ensure increased effectiveness and capacity in carrying out this task. Since senior executives must deal with other government priority programmes, the knowledge and experience that their spouses may have gained from their own participation in these programmes can be of considerable practical value to them. Finally, to senior public servants already carrying heavy responsibilities, the burden of learning French or English can indeed be heavy. And while some doubt has been expressed previously as to the validity of the need for a spouse's psychological support in such instances, it remains a realistic argument that such a support is most desirable. It appears reasonable, having seriously considered the different issues involved as well as parliament's expectations in the area of official languages that spouses of members of parliament and senior executives should have and continue to have some assistance in meeting these expectations.

[Mr. Richardson.]

LANGUAGE TRAINING FOR WIVES OF SENIOR OFFICIALS

Question No. 1,448—**Mr. Cossitt:**

1. With reference to the answer to Question No. 24 which, among other persons, listed M. Hofley, wife of an employee of the Department of the Solicitor General, as one of those taking French language courses at government expense while not herself a member of the Public Service, is this individual the wife of Mr. B. C. Hofley, Assistant Deputy Minister in the Department of the Solicitor General?

2. What is the exact annual salary in dollars paid to Mr. Hofley?

3. For what reason did the government at taxpayer's expense pay for Mrs. Hofley's French language courses (a) was one of the reasons because the government believed that Mr. Hofley's salary was not sufficient for him to pay this expense himself (b) over how long a period of time did Mrs. Hofley take French language courses at taxpayer's expense and what was the total annual salary of Mr. Hofley during that period of time?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: See reply to Question No. 1,446.

LANGUAGE TRAINING FOR WIVES OF SENIOR OFFICIALS

Question No. 1,450—**Mr. Cossitt:**

1. With reference to the answer to Question No. 24 which, among other persons, listed Diana Ainslie, wife of an employee of the Department of Justice, as one of those taking French language courses at government expense while not herself a member of the Public Service, is this individual the wife of Mr. G. W. Ainslie, Assistant Deputy Attorney General in the Department of Justice?

2. What is the exact annual salary in dollars paid to Mr. Ainslie?

3. For what reason did the government at taxpayer's expense pay for Mrs. Ainslie's French language courses (a) was one of the reasons because the government believed that Mr. Ainslie's salary was not sufficient for him to pay this expense himself (b) over how long a period of time did Mrs. Ainslie take French language courses at taxpayer's expense and what was the total annual salary of Mr. Ainslie during that period of time?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: See reply to Question No. 1,446.

OIL PIPELINE

Question No. 1,459—**Mr. Howie:**

Are there any plans regarding the development of a cross-Canada oil pipeline, extending it beyond Montreal to the Atlantic Provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: The immediate objective is to have the oil pipeline extended to Montreal. There have been discussions with various interested parties with respect to an improvement of pipeline facilities east of Montreal but as yet no definitive proposal has been concluded.

LANGUAGE TRAINING FOR WIVES OF SENIOR OFFICIALS

Question No. 1,467—**Mr. Cossitt:**

With reference to the answer to Question No. 24 that included Mrs. J. F. Hudon and Mrs. Barbara Stephens among the list of wives of members of the Public Service taking French Language courses at public expense although not members of the Public Service themselves (a) are these persons the wives of Mr. L. D. Hudon, Deputy Secretary to the Cabinet and Mr. D. R. Stephens, Assistant Secretary to the Cabinet (b) what are the annual salaries of Mr. Hudon and Mr. Stephens (c) for what reason did the government use public funds to pay for such language lessons (d) what are the dates these persons attended language courses, where did they attend and what was the cost to the taxpayers in each case?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: See reply to Question No. 1,446.

LANGUAGE TRAINING FOR WIVES OF SENIOR OFFICIALS

Question No. 1,468—**Mr. Cossitt:**

1. With reference to the answer to Question No. 24 that included the names of Mrs. D. H. Jones, Mrs. Evelyn F. March and Mrs. Violet B. Thomson among the list of wives of members of the Public Service taking French language courses at public expense although not members of the Public Service themselves (a) are these persons the wives of Commissioners D. H. Jones, R. M. March and J. B. G. Thomson of the Canadian Transport Commission (b) what are the annual salaries of each of these Commissioners (c) for what reason did the government use public funds to pay for such language lessons (d) what are the dates these wives attended such language courses, where did they attend and what was the cost to the taxpayers in each case?

2. Is the Mrs. L. Arbique shown in the answer to Question No. 24 the wife of Mr. H. Arbique, Secretary of the Canadian Transport Commission (a) what is Mr. Arbique's annual salary (b) for what reason were public funds used to pay for his wife's language lessons (c) what are the dates she took such lessons, where did she attend and what was the total amount to the taxpayers?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: See reply to Question No. 1,446.

LANGUAGE TRAINING FOR WIVES OF SENIOR OFFICIALS

Question No. 1,471—**Mr. Cossitt:**

1. With reference to the answer to Question No. 24 which, among other persons, listed S. Boughner, wife of an employee of the Post Office Department, as one of those taking French language courses at government expense while not herself a member of the Public Service, is this individual the wife of Mr. A.C. Boughner, Assistant Deputy Postmaster General in the Post Office Department?

2. What is the exact annual salary in dollars paid to Mr. Boughner?

3. For what reason did the government at taxpayer's expense pay for Mrs. Boughner's French language courses (a) was one of the reasons because the government believed that Mr. Boughner's salary was not sufficient for him to pay this expense himself (b) over how long a period of time did Mrs. Boughner take French language courses at taxpayer's expense and what was the total annual salary of Mr. Boughner during that period of time?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: See reply to Question No. 1,446.

LANGUAGE TRAINING FOR WIVES OF SENIOR OFFICIALS

Question No. 1,472—**Mr. Cossitt:**

1. With reference to the answer to Question No. 24 which, among other persons, listed M. Pageau, wife of an employee of the Post Office Department, as one of those taking French language courses at government expense while not herself a member of the Public Service, is this individual the wife of Mr. F. Pageau, Director of International Postal Affairs Branch in the Post Office Department?

2. What is the exact annual salary in dollars paid to Mr. Pageau?

3. For what reason did the government at taxpayer's expense pay for Mrs. Pageau's French language courses (a) was one of the reasons because the government believed that Mr. Pageau's salary was not sufficient for him to pay this expense himself (b) over how long a period of time did Mrs. Pageau take French language courses at taxpayer's expense and what was the total annual salary of Mr. Pageau during that period of time?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: See reply to Question No. 1,446.

OLYMPIC STAMPS AND OLYMPIC COINS

Question No. 1,476—**Mr. Reynolds:**

Are (a) Olympic Stamps (b) Olympic Coins classed as tax deductible items and, if they are not classed the same, for what reason?

Hon. Ron Basford (Minister of National Revenue): Olympic stamps and Olympic coins are treated differently under the Income Tax Act. Paragraph 7(b) of the Olympic (1976) Act specifically provides that in addition to the amount of the postage rate indicated on the Olympic Action Stamp, an additional amount may be fixed for the purpose of providing financial assistance to the Olympics. This additional amount may reasonably be held to be a charitable gift, and is deductible therefore under paragraph 110(1)(b) of the Income Tax Act. The Olympic (1976) Act makes no similar provision with respect to Olympic coins, providing only that the proceeds to be received by the government of Canada shall not be less than the face value of the coins. In this case we consider that the purchaser has simply acquired a property at a price which is the total amount paid and no part of which

is designated to be anything other than the price of the coins.

LANGUAGE TRAINING FOR WIVES OF SENIOR OFFICIALS

Question No. 1,479—**Mr. Cossitt:**

With reference to the answer to Question No. 24 that included the name of Mrs. P. Morin among the list of wives of members of the Public Service taking French language courses at public expense although not a member of the Public Service herself (a) is Mrs. Morin the wife of Mr. J.M. Morin, Deputy Commissioner of Official Languages (b) what is the annual salary of Mr. Morin (c) for what reason did the government use public funds to pay for such language lessons (d) what are the dates Mrs. Morin attended such language courses, where did she attend and what was the cost to the taxpayer?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: See reply to Question No. 1,446.

CBC—COST OF PRODUCING FILM "HEAD, GUTS AND SOUND BONE DANCE"

Question No. 1,515—**Mr. Mazankowski:**

What was the total cost of producing the CBC film, "Head, Guts and Sound Bone Dance"?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting corporation as follows: It has not been customary to require the CBC to supply such details of its internal management and administration.

LANGUAGE TRAINING FOR WIVES OF SENIOR OFFICIALS

Question No. 1,519—**Mr. Cossitt:**

1. With reference to the answer to Question No. 24 which, among other persons, listed Mrs. F. Juneau as one of those taking English language courses at government expense while not herself a member of the Public Service, is this individual the wife of Mr. Pierre Juneau of the Canadian Radio-Television Commission?

2. What is the exact annual salary in dollars paid to Mr. Juneau?

3. For what reason did the government at taxpayers' expense pay for Mrs. Juneau's English courses (a) was one of the reasons because the government believed that Mr. Juneau's salary was not sufficient for him to pay this expense himself (b) over how long a period of time did Mrs. Juneau take English language courses at taxpayers' expense and what was the total annual salary of Mr. Juneau during that period of time?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: See reply to Question No. 1,446.

RCMP SUPERANNUATION ACCOUNT

Question No. 1,547—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount at credit in the Royal Canadian Mounted Police Superannuation Account as at (a) March 31, 1972 (b) March 31, 1973 (c) March 31, 1974?

2. What rate of interest has the government paid for the use of this money during the fiscal years ending on the dates noted above?

3. What amount of interest was credited to the Royal Canadian Mounted Police Superannuation Account during the fiscal years ending (a) March 31, 1972 (b) March 31, 1973 (c) March 31, 1974?

[Mr. Basford.]

4. What was the total amount paid out of the Royal Canadian Mounted Police Superannuation Account during the fiscal years ending (a) March 31, 1972 (b) March 31, 1973 (c) March 31, 1974?

Hon. Warren Allmand (Solicitor General): 1. (a) $223,657,501.35; (b) $269,053,974.73; (c) $315,731,881.96.

2. (a) 5.5895; (b) 5.8969; (c) 6.1148.

3. (a) $8,325,914.58; (b) $9,498,815.49; (c) $11,649,384.89.

4. (a) $1,786,016.81; (b) $2,329,355.53; (c) $3,107,861.30.

CANADIAN FORCES SUPERANNUATION ACCOUNT

Question No. 1,549—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount at credit in the Canadian Forces Superannuation Account as at (a) March 31, 1972 (b) March 31, 1973 (c) March 31, 1974?

2. What rate of interest has the government paid for the use of this money during the fiscal years ending on the dates noted above?

3. What amount of interest was credited to the Canadian Forces Superannuation Account during the fiscal years ending (a) March 31, 1972 (b) March 31, 1973 (c) March 31, 1974?

4. What was the total amount paid out of the Canadian Forces Superannuation Account during the fiscal years ending (a) March 31, 1972 (b) March 31, 1973 (c) March 31, 1974?

Hon. James Richardson (Minister of National Defence): 1, 3 and 4. This information is tabled in the House of Commons annually in accordance with Revised Statutes, and also appears annually in the Public Accounts.

2. Rates of interest for: (a) 1971/72 Quarter ending June 30, 1971, 1.3838 per cent; Quarter ending September 31, 1971, 1.3896 per cent; Quarter ending December 31, 1971, 1.4004 per cent; Quarter ending March 31, 1972, 1.4157 per cent; (b) 1972/73 Quarter ending June 30, 1972, 1.4601 per cent; Quarter ending September 31, 1972, 1.4659 per cent; Quarter ending December 31, 1972, 1.4778 per cent; Quarter ending March 31, 1973, 1.4931 per cent; (c) 1973/74 Quarter ending June 30, 1973, 1.5042 per cent; Quarter ending September 31, 1973, 1.5252 per cent; Quarter ending December 31, 1973, 1.5364 per cent; Quarter ending March 31, 1974, 1.5490 per cent.

APPLICATIONS FOR BENEFITS UNDER VETERANS' LAND ACT

Question No. 1,566—**Mr. Marshall:**

During the period January 1, 1974 to January 1, 1975, how many applications for Veterans' Land Act benefits were (a) received (b) approved by the Veterans' Land Act administration?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): (a) 7,945; (b) 7,648.

TOTAL MONEY IN CANADA

Question No. 1,567—**Mr. Lambert (Bellechasse):**

1. What was the average total of money in Canada on January 1 (a) 1972 (b) 1973 (c) 1974 (d) 1975?

2. What was the breakdown of the totals on such dates in terms of (a) coins (b) bills (c) bank credits (d) deposits?

Hon. John N. Turner (Minister of Finance): 1 and 2. There are various forms of money in Canada. These

include currency (coins, Bank of Canada notes) and deposit claims on the chartered banks and on other institutions that offer deposit accounts to the public. The most commonly used definitions, which include currency and chartered bank deposits, are shown in the following table. Dates are for the last Wednesday in December because statistics for January 1 are not available. The table also shows the outstanding amounts of chartered bank credit in the form of Canadian dollar loans and mortgages. These statistics for bank credit are shown separately because they represent liabilities of bank customers rather than claims on the banks comparable to deposits.

Currency, Chartered Bank Canadian Dollar Deposits and Loans
Last Wednesday of December
(millions of Canadian dollars)

	1971	1972	1973	1974
Coin	483	509	581	647
Bank of Canada notes	3,421	3,962	4,673	5,213
Total currency	3,904	4,471	5,254	5,860
Currency and demand deposits	11,763	13,142	14,843	15,794
Currency and all privately-held Canadian dollar deposits	35,837	41,024	48,859	57,463
Government of Canada deposits	2,459	2,540	2,368	4,682
Currency and total chartered bank Canadian dollar deposits	38,296	43,564	51,227	62,145
Loans and mortgages in Canadian dollars	23,286	28,677	36,739	44,260

GROSS NATIONAL PRODUCT, 1972-74

Question No. 1,569—**Mr. Lambert (Bellechasse):**

What was the Gross National Product for (a) 1972 (b) 1973 (c) 1974?

Hon. John N. Turner (Minister of Finance):

Year	Gross National Product (millions of dollars) current prices	1961 prices
1972	103,493	71,515
1973	118,902	76,345
1974	139,493	79,199

RCMP—STRENGTH IN PROVINCES

Question No. 1,572—**Mr. Herbert:**

1. With reference to the answer to Question No. 1,114, at the time this question was answered, what was the total strength of the RCMP in each of the provinces listed in Part 2?

2. Of the difference between these two sets of figures, were any members of the RCMP on direct contract with municipalities or other groups, organizations, companies or individuals, not including the respective provincial governments and, if so, how many?

Order Paper Questions

Hon. Warren Allmand (Solicitor General): 1. Newfoundland, 531; Manitoba, 880; British Columbia, 3,045; Saskatchewan, 1,055; Nova Scotia, 568; New Brunswick, 470; Alberta, 1,505; Prince Edward Island, 111; Total 8,165.

2. Municipal Contracts: Newfoundland, 51; Manitoba, 181; British Columbia, 1,207; Saskatchewan, 172; Nova Scotia, 32; New Brunswick, 51; Alberta, 292; Prince Edward Island, 9; Total 1,995.

REBATES ON PURCHASE OF AUTOMOBILES

Question No. 1,580—**Mr. Jones:**

Is the rebate presently being given by automobile companies on the purchase of certain automobiles taxable for income tax purposes?

Hon. Ron Basford (Minister of National Revenue): The rebates presently being given to the public by automobile companies on the purchase of certain automobiles will not be taxed as such. The rebates are viewed as a reduction of the cost of the purchased automobile. Accordingly, if capital cost allowance in respect of the automobile is allowed as a deduction in computing a taxpayer's income, the amount of capital cost allowance available to such taxpayer will be affected by such rebate.

WIRE-TAP AUTHORIZATIONS

Question No. 1,586—**Mr. Flynn:**

How many wire-taps and other electronic surveillance authorizations have been issued since the Protection of Privacy Act came into effect and, in each case, to whom?

Hon. Warren Allmand (Solicitor General): During the period July 1, 1974 to December 31, 1974, 140 authorizations were issued to the Royal Canadian Mounted Police. Information concerning the number of authorizations issued under provincial jurisdiction is not available.

NUCLEAR RESEARCH AND DEVELOPMENT

Question No. 1,715—**Mr. Francis:**

1. (a) Has the government spent over $1 billion in nuclear research and development (b) has it offered to pay one-half of the cost of the first nuclear station built in any province (c) is it committed to the development of nuclear energy in Canada?

2. What research, if any, has been done on the environmental effects and health hazards involved in such a programme?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1. (a) Yes. (b) No. However, the Minister of Energy, Mines and Resources announced at the First Ministers' Energy Meeting January 1974 that the federal government would provide financing assistance by offering loans, at crown corporation rates, for up to 50% of the capital cost of the first nuclear powered generating unit in a province, and, similarly, for a unit intended for regional use. (c) Yes.

2. Extensive research has been, and is being, conducted by many countries throughout the world, including Canada. These studies have served as the basis for the recommendations of the International Commission on Radiological Protection which, in turn, are the basis of the Health and Safety Regulations under the Atomic Energy Control Act.

Order Paper Questions

PICKERING RADIO-ACTIVE LEAKS

Question No. 1,724—Mr. Francis:

Did a spokesman for Ontario Hydro say in a press conference about the Pickering radio-active leaks that many worse things have happened and, if so, what are they?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): We have no definite knowledge of any such statement. There have been no events at Pickering which released significant quantities of radio-active material to the environment nor jeopardized the safety of the reactors.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

USE OF GOVERNMENT AIRCRAFT BY PRIME MINISTER AND CABINET MINISTERS

Question No. 40—Mr. Coates:

1. On how many occasions between May 8 and July 8, 1974, were government aircraft, of either the Armed Services or government departments or agencies, used by Cabinet Ministers or the Prime Minister?

2. For each instance, what was (a) the specific date (b) the name of the Cabinet Minister or the Prime Minister (c) the point of departure (d) the destination (e) the interim stop(s) if any (f) the passenger list?

3. In any of the above instances, was the government reimbursed for the use of the aircraft and, if so (a) in which specific instance or instances (b) how much was the federal treasury reimbursed (c) who determined the rate of payment?

Return tabled.

PUBLIC SERVICE—INFORMATION OFFICERS AND SUPPORT STAFF

Question No. 317—Mr. Orlikow:

1. For each federal department, how many information officers and support staff were employed January 1, 1973 and January 1, 1974, by job classification (support staff, trainee, IS 1-6) and salary range?

2. For each department, how many information officer positions were vacant on January 1, 1973 and January 1, 1974 by job classification and salary range?

3. For each department, what duties and responsibilities were handled by each information officer as of January 1, 1974?

4. For each department, what is the total amount to be spent in 1974-75 on information services, including salaries and wages?

Return tabled.

DEPARTMENT OF FINANCE—CONSULTANTS

Question No. 397—Mr. MacKay:

1. From the 1968 fiscal year to date (a) how many consultants were hired (b) what were the terms of reference and time length of the work assignment (c) what was the amount paid to each (d) what was the name of each for the Department of Finance?

2. What are the names, positions, number and salaries of public servants for the Department of Finance that held a position similar to that of the outside consultant hired by the government?

Return tabled.

[Mr. Macdonald (Rosedale).]

LIP—ALLOCATION OF FUNDS IN CONSTITUENCY OF MOUNT ROYAL, QUEBEC

Question No. 609—Mr. Cossitt:

1. What was the total amount of money allocated under the Local Initiatives Programme for 1973-74 in the constituency of Mount Royal, Quebec (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

LIP—CULTURAL CENTRE, TORONTO

Question No. 1,083—Mr. Cossitt:

1. With reference to the information contained on page 18 of the Minutes of Proceedings and Evidence of the Standing Committee on Public Accounts dated November 21, 1974, to the fact that persistent representations were made by the Honourable Stanley Haidasz, former Minister of State for Multiculturalism on behalf of the Local Initiatives Programme grant for a cultural centre in Toronto (a) what was the LIP project number (b) what were the names and addresses of all those (i) signing (ii) recommending adoption of the application (c) what was a full description of the project (d) what was the amount of funds granted (e) on what dates was such payment made?

2. Will the Minister of Manpower and Immigration make public all documents attached to and included in the file pertaining to this project?

3. (a) On what date was this project originally rejected (b) in what ways did it not meet the criteria of the Local Initiatives Programme (c) what is the identity and job designation of all persons having a part in the original rejection?

4. (a) With reference to a statement on page 98, section 7 of the Auditor General's Report for 1973 to the effect that this project was approved for $100,000 on January 4, 1973, "after persistent representations on behalf of the sponsor", will the Minister make public copies of these representations and the nature of his replies thereto (b) what are all the reasons the Minister ordered adoption of this project after it was first rejected (c) will the Minister issue a report on the political considerations involved?

Return tabled.

OIL SPILL CLEAN-UP EQUIPMENT

Question No. 1,530—Mr. Munro (Esquimalt-Saanich):

1. Are there inventories of oil spill clean-up equipment on hand in the (a) Juan de Fuca-Inside Passage area south and east of Vancouver Island (b) West Coast of Vancouver Island (c) Queen Charlotte Islands area (d) Prince Rupert area and, in each case (i) how many slick-lickers are there (ii) how much of the absorbent "Graboil" is there (iii) what other equipment such as booms is there (iv) where is such stock stored?

2. If no such stock is on hand with the Department of the Environment or the Department of Transport, what arrangements are in existence to deal with an oil spill, large or small, in an emergency?

Return tabled.

NUMBER OF CANADIAN ARMED FORCES PERSONNEL ON PENSION

Question No. 1,550—Mr. Knowles (Winnipeg North Centre):

1. In each year 1959 to 1974, both inclusive (a) how many personnel of the Canadian Armed Forces have commenced drawing pensions under the Canadian Forces Superannuation Act (b) how many widows have commenced drawing pensions under the said Act?

2. In each year 1959 to 1974, both inclusive, how many pensions under the Canadian Forces Superannuation Act (a) to retired Canadian Armed Forces personnel (b) to widows of such personnel, have been discontinued because of the death of the annuitant?

3. In each year 1946 to 1974, both inclusive, how many service personnel contributed to the pension or annuity account under the former Part V or under the provisions of the present Canadian Forces Superannuation Act?

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions be allowed to stand.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

SCOPE OF INVESTIGATION INTO DREDGING CONTRACTS—REASON FOR DELAY IN STARTING INVESTIGATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Solicitor General arising out of the very serious charges that have been laid today against certain individuals and firms in Canada regarding dredging contracts with the federal government and the government of Ontario. Would the Solicitor General now tell the House whether any other investigations are underway into any other firms or individuals with respect to any other dredging contracts in any other parts of the country?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I pointed out earlier, criminal charges were laid this morning against 12 corporations and 14 individuals for fraud and bid rigging of government contracts, the fraud totalling over $4 million. I understand that investigations are still underway. It is possible that as more evidence develops this will, in turn, lead to other investigations.

Mr. McGrath: A supplementary question, Mr. Speaker. In light of the dimension of the charges and the substantial amount of federal government funds involved, would the Solicitor General now make a statement to the House—and I ask him to do this because of his evasive and misleading answers during the last few days—

Some hon. Members: Oh, oh!

Mr. McGrath: —regarding the scope of the investigations now underway?

Mr. Allmand: Mr. Speaker, it is difficult to take the hon. member seriously when he makes such ridiculous statements. I have been making as complete answers as possible in the circumstances to all questions put on these matters but, as I told the House before, it is against the public interest to reveal details of an investigation while the investigation is still underway. It would be counterproductive for an investigation to give publicly details of the investigation; and if the investigation proved negative, it would be harmful to the persons who were being investigated.

Mr. McGrath: A final supplementary question, Mr. Speaker. I might just say that anyone who examines the minister's replies in the House over the past ten days will find it difficult to take him seriously at any point. I ask the minister, because of the grave seriousness of this matter, whether he is now prepared to explain to the House, in view of the fact that the Ontario provincial police and Hamilton district police have denied any involvement in the investigation or that they were ever in fact requested to launch an investigation, how come it took five to six months to get this investigation underway?

Mr. Allmand: Obviously, Mr. Speaker, the hon. member has not been listening too closely. I told the House on a previous occasion that, in the first instance, certain persons or a person from the Hamilton city council approached the Hamilton detachment of the RCMP and put forward certain allegations, which were vague at that time, with respect to wrongdoing in regard to Hamilton harbour. After preliminary examination of these allegations the RCMP and the detachment felt that this was a matter for provincial jurisdiction, since it concerned wrongdoing under the Criminal Code, and suggested to the person or persons involved that they go to the provincial or city authorities. I understand approaches were also made to the provincial and city authorities.

At a later date the matter came back to the RCMP detachment in Hamilton and in due course it worked its way up to the top level in Ottawa, and an investigation was authorized by the Department of Transport and the RCMP. I should like to make very clear to the House—and it seems that the opposition just cannot see this—that this has been a very successful police investigation. A large number of charges have been laid, people have already been found guilty and trials are pending. How the hon. member can suggest that anything is being covered up, I do not know; that is complete nonsense.

● (1440)

INDUSTRY

SHIPBUILDING SUBSIDY PROGRAM—SUGGESTED WITHHOLDING OF PAYMENTS TO MARINE INDUSTRIES LIMITED—AMOUNT TO BE WITHHELD

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary question is addressed to the Minister of Industry, Trade and Commerce. In view of the fact that this minister last week also left the impression with the House and the public that he was unaware of the seriousness of the allegations and charges which have been made public today and yesterday, in view of the fact that he announced that the most recent $265 million contract to Marine Industries Limited was going to go ahead as normal, and in view of the fact that that particular company yesterday in Toronto was charged under the Income Tax Act and that today the company was charged with an attempt to defraud two governments as well as the Hamilton Harbour Commission, and in view of this very serious allegation against officers of that particular company, would he now direct the Export Development Corporation to at least hold in abeyance, or somehow temporarily suspend, or make out some sort of trust arrangement so that money is still under the direct control and supervision of the government in some way pending the determination of criminality in respect of that particular company?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I should like to make it quite clear that Export Development Corporation financing does not provide for loans directly to the corporations. This involves loans made to the buyers for the purpose of acquiring capital goods from Canadian suppliers. On the other point alluded to by the hon. member involving the question of payments in respect of existing programs under shipbuilding assistance, some payments are due or are coming due, and I have asked my department to seek legal clarification in respect of whether those payments should be made.

Mr. Lawrence: Mr. Speaker, could the minister tell us the extent of the holdback in respect of the existing contracts he is talking about, and indicate the policy and intent with regard to the $265 million contract he announced last week as well as what he is now referring to when he says that, as he so gently puts it, he is seeking a clarification of legal implications?

Mr. Gillespie: Mr. Speaker, I cannot tell the hon. member the amount of the payment that is coming due, but I would be very pleased to provide him with that information. I have tried to make it very clear to him that we are seeking legal clarification as to whether this payment should be made, and I hope to be able to announce a decision on that in the very near future. As to Export Development Corporation financing, I think it is important that the House understand that the $265 million contract to which the hon. member alluded is a contract between Marine Industries and the buyer, I believe a Greek corporation of some 12 vessels. That particular contract will be financed on the basis of approximately 40 per cent in the form of a loan by the Export Development Corporation to the buyer, not the manufacturer or exporter, supported by roughly 30 per cent from the private sector, the commercial banking system, and the balance, of course, by the shipbuilder himself.

[Mr. Allmand.]

* * *

TRANSPORT

PROPOSED INQUIRY INTO ALL DREDGING CONTRACTS—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Acting Prime Minister and I choose my words with care.

An hon. Member: For the first time.

Some hon. Members: Oh, oh!

Mr. Broadbent: I hope the minister will choose his answer with equal care. In view of very serious charges laid by the Crown in Ontario involving political kickbacks and influence peddling in the Hamilton area, and considering that one of those charged today as the result of investigation into harbour dredging contracts was and may still be a very senior official of the Liberal party of Canada, will the Acting Prime Minister set up a commission under the Inquiries Act to investigate all dredging contracts and the possibility of related political wrong doing?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the brief answer to the question is in the negative. I believe that if justice is to be done it should be permitted to take its course, and I think the intervention of any other proceeding such as has been suggested would compromise the outcome.

Mr. Broadbent: Mr. Speaker, I will put my question in a different way for clarification purposes and in the hope it might produce a different answer. In view of the fact that it is not only important that justice be done in politics, but that it be seen to be done, particularly as that relates to people in important political positions being cleared of any possible compromising circumstances that may not involve illegality but would potentially involve what appropriately could be called or considered political wrongdoing, in the sense of influence peddling, and I ask the question in that sense, will the Acting Prime Minister and the government not agree that the best way of clearing up this very important matter of public integrity in terms of governmental implementation of policy would be through a public inquiry?

Mr. Sharp: Mr. Speaker, I can only repeat the answer I have just given. I suggest to my hon. friend that if there are allegations of this kind they should be made and should not be insinuated. If the hon. gentleman wants to make charges, then I suggest he should make them, and not only would justice be done, justice would be seen to be done.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Speaker. I suggest it is not in keeping with the practice of this House everytime something like

this comes up for the government to call for the laying of charges. The hon. member for Oshawa-Whitby made no charges, but he alluded to charges that have been made in the courts, and I suggest he has the right to ask that matters relating to those charges be cleared somewhere other than in this political arena.

Mr. Sharp: On the same point of order, Mr. Speaker, I think it has been one of the principles that you, your predecessors and all members have upheld, that when statements are made in the House either on the basis of newspaper reports or from third parties, some responsibility should be taken by those who use them.

Some hon. Members: Hear. hear!

Mr. Baldwin: Mr. Speaker, I have a supplementary question which arises primarily from the point of order. Having in mind the intimations that have been made in the press and in other places outside this House, does the Acting Prime Minister not consider there have been sufficient prima facie allegations which justify—

Some hon. Members: Oh, oh!

An hon. Member: Prima facie allegations!

Mr. Baldwin: —which justify the government, that has the responsibility for overseeing political turpitude and misdemeanors, taking the initiative to commence proceedings through an inquiry to determine exactly what the facts are?

Mr. Sharp: Mr. Speaker, the answer again is in the negative. I do hope that hon. members opposite will let the course of justice continue and not engage in the kind of insinuation and innuendo which they are engaged in now, and which are laying the foundations for a series of pseudo allegations being made outside the House.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre has raised on a point of order which was contributed to in the final analysis by a supplementary question put by the hon. member for Peace River. To keep the record straight, the fact of the matter is that the answer or its quality in relation to the suggestion that allegations of this sort ought to be backed up by the hon. member who poses the question, and any comments on the quality or the nature of the answer, are really legitimate causes for debate but do not constitute a point of order.

Mr. Nowlan: Mr. Speaker, my point of order arises from the last remarks of the government House leader, and relates directly to a specific question I tried to put through you to the Minister of Transport with regard to the first time that knowledge was obtained of the allegations made in the Hamilton harbour affair. The rules of the House under Your Honour's direction prevented the then minister of transport from answering a question which went back many months to an earlier time than anything we have heard today. I say to Your Honour, with all due respect, that the government House leader, in his insinuations and in his last remarks, completely overlooked the recent history that on the other side of the border there were both congressional investigations and court proceedings. Does the government House leader not make any distinction between criminal conduct and political misconduct, political stupidity or administrative incompetence?

● (1450)

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Basically, the hon. member is returning to the same point. The fact of the matter is that if the President of the Privy Council or any other minister chooses to give an answer of that nature to any question at any time, the kind of answer given may be the subject of legitimate comment either inside or outside the House. However, the fact is that the kind of answer given by any minister is his choice, and in fact he can choose not to give an answer at all. So this does not constitute a point of order.

Mr. Broadbent: Mr. Speaker, the Acting Prime Minister, in alluding to one of my questions—and I got the gist of what he said if not the precise words—referred to vague allegations or press reports—I see he nods in agreement—on which he said I based my question. I want to put on the record that I did not base my question on some imprecise information. It is my understanding that charges have been made today, in the courts of Canada against Mr. Hugh Martin who, I understand, was a former chairman of the federal Liberal campaign committee and is a participant in the court proceedings on this important subject matter which has been the subject of political questioning in the House for some time.

Also on this point of order, I referred to charges that were laid, not by a politician but by an attorney of the Crown in Ontario. In his words, there was political influence peddling of some kind involved. That is why my point was not based on vague allegations or press reports but on serious charges made by serious people, and I put this question to the minister: would it not be in the best interests of politics in Canada to get away from partisan bickering of this kind—

Some hon. Members: Oh, oh!

Mr. Broadbent: —and have a public inquiry conducted by a judge of the Supreme Court of Canada so that we could get back to other important political matters in the House of Commons?

Mr. Sharp: Mr. Speaker, perhaps the best evidence of the impartiality of the proceedings that are now being followed is that this gentleman is being prosecuted.

Mr. Brewin: Speaking on the same point of order, Mr. Speaker, I understand the Acting Prime Minister to have said that this matter should be left to the courts of justice. I want to point out that the cabinet of which he is a member has the authority to cause an inquiry to be conducted by a judge of the Supreme Court or any one else the government wishes to appoint to deal with any matter for the sake of good government of Canada. I want to suggest to the Acting Prime Minister that this matter, far beyond the criminal charges laid, involves the good government of the country.

Some hon. Members: Hear, hear!

Mr. Brewin: In the words of the Inquiries Act, this involves the conduct of any part of the public business thereof. I say to the Acting Prime Minister, in this case that comes before parliament it is more than obvious that a full and independent inquiry is required.

Mr. Sharp: Mr. Speaker, as my colleague, the Solicitor General has said, the RCMP have initiated inquiries that have led to a number of prosecutions. Some were found guilty and others must be presumed to be innocent until they are found guilty. I believe that it would not serve the cause of justice at present to follow the suggestions of the hon. member.

* * *

[Translation]

ENERGY

SARNIA-MONTREAL PIPELINE—DURATION OF AGREEMENT WITH INTERPROVINCIAL PIPELINE TO COVER FIXED COSTS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources.

It is a question which I feel is as important as the one previously discussed. In view of the fact that the minister has just announced that an agreement has been concluded between the federal government and Interprovincial Pipeline Ltd., could he tell us whether under that agreement, the guarantee by the Canadian government to make up the probable deficit as a result of a shortage of oil to be carried will be in effect for an undetermined period or a specific term?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, first I must say that we have not yet closed the contract with Interprovincial Pipeline. Supplementary estimates are now being considered by the national resources committee and the contract is being discussed by that committee.

But if the minister is authorized by Parliament to carry out such a contract, there will then be an obligation, for the whole period of the bonds, of the 20-year investments, to give such a guarantee in the event the supply of crude oil from Sarnia to Montreal is cut off.

Mr. Laprise: Mr. Speaker, I should like to put a supplementary.

In view of the announcement made recently that oil supplies in western Canada are almost exhausted, does the minister still believe that the pipeline is needed to bring oil that will no longer exist in four or five years?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. I must point out that the National Energy Board has indicated that until 1983, there will be ample supplies of oil for the eastern Canada market. If there should be such a cut-off of supply for the eastern Canada refineries, the pipeline being a reversible one might be used also for the Toronto and even perhaps the Sarnia refineries.

[English]

ROYAL CANADIAN MOUNTED POLICE

HAMILTON HARBOUR DREDGING CONTRACTS—ALLEGED DENIAL OF HAMILTON POLICE AND OPP THAT THEY WERE ASKED TO INVESTIGATE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct my question to the Solicitor General in light of the serious contradictions between the statements of the Solicitor General, the Hamilton police and the OPP.

Some hon. Members: Order.

Mr. Alexander: Now that the OPP and the Hamilton police have indicated that they have never been asked to investigate the Hamilton harbour activities, does the Solicitor General still maintain that they have been asked to do so? We would like to try to clear up this contradiction, and I hope the minister will give me an answer.

Hon. Warren Allmand (Solicitor General): Yesterday afternoon when I heard about this response from the Hamilton police and the OPP I checked once more with the RCMP here in Ottawa and they told me to stand by what they told me originally. I have now asked them for more details about the contacts that were made and I will give this information to the House as soon as I have it.

HAMILTON HARBOUR DREDGING CONTRACTS—IDENTITY OF PERSON REQUESTING HAMILTON POLICE AND OPP TO INVESTIGATE

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question for the minister who does not seem to have known what he was talking about on March 10. I wonder if the minister can now look into his records, which I know he has, in order to determine who asked whom what with respect to the police and the OPP, whether it was his officials or the RCMP who went to the Hamilton police and the OPP, and would he identify him, or whether it was a member of the city council of Hamilton, and would he identify him and say where it was. Will the minister look into those records in order to give us his answers when he is replying to the other statement?

● (1500)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I explained to the House that these matters are not listed in my records.

An hon. Member: Why not?

Mr. Alexander: Not your records, in the RCMP records.

Mr. Allmand: The hon. member said when I looked in my records. He should be more precise. When the question was raised in the House, I followed the usual channels. I checked with the RCMP in Ottawa. They, in turn, checked with the RCMP in Hamilton, and the information came through that way.

An hon. Member: Blame the mounties.

Mr. Allmand: Mr. Speaker, we have a real smart guy over there.

Mr. Speaker: Order, please. Perhaps the minister will confine himself to answering the question.

Mr. Allmand: If the opposition thinks there is any contradiction between what I am saying and what the RCMP have on record, my estimates will be before the committee in a day or two and the RCMP will be there. Hon. members can come and put the same questions to the RCMP.

Some hon. Members: Oh, oh!

Mr. Alexander: It seems to me that the minister is abdicating his responsibility. The minister knows darn well that when I talk about records, I talk about the records of the Royal Canadian Mounted Police for which he has responsibility. All we want is the truth. Will the minister, as I said, look into the records of the RCMP and determine whether it was his officials who first went to the Hamilton police or the OPP and who it was, or whether it was a member of the city council, and when; the records should reveal that. I am not talking about the records of the Solicitor General. I am talking about the RCMP records for which he has responsibility.

Mr. Allmand: Mr. Speaker, I already said at the beginning of the question period that I would do that. The hon. member has not been listening.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

INQUIRY AS TO NEW MEASURES TO STIMULATE FOLLOWING DISCUSSIONS WITH UNITED STATES SECRETARY OF THE TREASURY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I sense that the Minister of Finance is feeling neglected this afternoon.

An hon. Member: Did he write you a note?

Mr. Stanfield: With friends like that the Minister of Finance hardly needs enemies.

I would like to ask the Minister of Finance, following what he described as his fruitful conversations with Mr. Simon, the Secretary of the Treasury of the United States—

Some hon. Members: Hear, hear!

Mr. Stanfield: —whether, having had the benefit of those conversations he is now in a position to act upon or even speak about any new initiatives to improve the Canadian economy.

Mr. Muir: Why don't you get Simon for leader, John? He'd be a big improvement.

An hon. Member: In what party?

Some hon. Members: Oh, oh!

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we had some thorough conversations between ourselves and we also had the benefit of the reaction of the Secretary of the Treasury to comments put to him by several of my colleagues having economic portfolios. We will want to digest what he has said and his analysis of the American economy in due course as we reflect upon the stimulus already injected into the Canadian economy and the way in which a package of measures can be worked out between the United States administration and congress both in the energy field and in the economic field. Then, at an appropriate time, I will be back before the House.

An hon. Member: Did he sell you a ratchett?

INFLATION—OBJECTIVE IN SEEKING CONSENSUS OF VARIOUS GROUPS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I do not know whether Mr. Simon sells ratchetts, but the minister expressed concern about strikes and creating more unemployment, and he also expressed concern about the escalation in the level of wages as a result of settlements in this country. In view of the fact that the only activity we see these days in the Department of Finance, apart from the elimination of the group of seven from the Prime Minister's office, is the so-called consensus effort, can the minister now tell us upon what the government of Canada has been seeking co-operation? Yesterday the Acting Prime Minister said to me that I was expecting something which is not there. I want to know what is there.

Hon. John N. Turner (Minister of Finance): The hon. gentleman and I have had several exchanges, some at length and some in a fairly curtailed way within the rules of the House at this stage of the proceeding. I can say to him, as I said to the Standing Committee on Miscellaneous Estimates yesterday, that the rise in the rate of inflation is still not satisfactory despite some easing of the rate on an annual basis, below double digit. The rate is unsatisfactory despite the fact that an easing in wholesale prices and commodity prices will work its way through the economy, but the most disturbing feature of the current situation is the cost increases to which the hon. gentleman alluded reflecting wage settlements now running at roughly more than twice the rate of settlements in the United States. If these settlements in Canada continue at this comparative rate, Canada will find itself in an increasingly difficult position in our competitive ability in the world. This will jeopardize our exports and threaten Canadian jobs. I have said during the consensus process—

An hon. Member: Oh, oh!

Mr. Turner (Ottawa-Carleton): If the hon. gentleman had as much patience as he has throat, he would be a far more useful member of parliament.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): As I have said to leaders of business, leaders in the labour movement, in the professions and leaders of agriculture, I quite understand

the urge to catch up with respect to wages and prices. What is dangerous is that current settlements are anticipating rates of inflation which project the rate effective in 1974, and if this continues to happen, it will become a self-fulfilling prophesy and this country will be put into a very dangerous international position.

An hon. Member: What are you doing about it?

Mr. Stanfield: Mr. Speaker, the minister must recognize that he did not even remotely answer my question. I would like to ask him how much patience he expects me or any member of this House to have with regard to a consensus program which was promised as long ago as the Speech from the Throne and which has been followed only by postponement and evasion. I and my colleagues have been prepared to exercise restraint and to withhold demands for stimulation in the economy in order to give the minister a reasonable time to get his consensus plan into operation and to give him more freedom of action. In response to that patience, I want the minister to give me the assurance that before the Easter recess he will give the House an open and frank statement as to what this consensus program is all about.

● (1510)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I can give the hon. gentleman an assurance that when it is appropriate to make that statement it will be made. In the meantime, I appreciate the statesmanlike attitude that the hon. member has adopted.

* * *

FOREIGN INVESTMENT REVIEW ACT

POSSIBLE AGREEMENT WITH PROVINCES TO DELAY PROCLAMATION OF PART II

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Has the government agreed to the requests of the provincial governments to further delay proclamation of Part II of the Foreign Investment Review Act and, if so, will this delay be for an indefinite period or has the government now set a date by which time the second part of the act dealing with new investment will be proclaimed in force?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the provincial ministers and I had a very useful and constructive meeting yesterday. We reviewed the administration of Part I and the provinces agreed on the six principles of consultation. We also discussed the question of the guidelines which are an integral part of the Part II proclamation. Provincial ministers asked for more time to consider and understand an admittedly complicated set of guidelines. The House may remember that I put forth a set of guidelines at the end of 1973 and asked for comments from the provinces and from industry. We put forward another set of draft regulations after consideration. I would expect there would be a meeting within the next three weeks at the deputy minister level of the various provinces with senior officials of the Foreign Investment Review Agency to conclude the consultation process with respect to those guidelines and the preparatory steps for second proclamation.

Mr. Gray: A supplementary—

Mr. Speaker: The hon. member for Yorkton-Melville.

An hon. Member: He has a supplementary.

Mr. Speaker: The hon. member for Yorkton-Melville.

Some hon. Members: Oh, oh!

* * *

TRANSPORT

SUGGESTED INQUIRY TO DETERMINE WHETHER THOSE CHARGED IN CONNECTION WITH DREDGING CONTRACTS MADE CONTRIBUTIONS TO POLITICAL PARTIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question for the Acting Prime Minister goes back to the first topic today. In view of the fact that he has not agreed to a public inquiry under the Inquiries Act will the Acting Prime Minister agree to an investigation in order to determine whether those corporations and individuals who have been charged have made contributions to political parties and if so, to which parties, how much and when?

Hon. Mitchell Sharp (Acting Prime Minister): The answer is no, Mr. Speaker.

Mr. Nystrom: A supplementary question, Mr. Speaker. In view of the fact that under the investigation that is being carried out this type of thing will not come to light because the election legislation was not proclaimed until August 1, will the Acting Prime Minister agree to investigate the political connection between those charged and—

Mr. Sharp: Mr. Speaker, I would remind the hon. gentleman that the presumption of innocence until proven guilty is fundamental to our system.

* * *

[*Translation*]

TRANSPORT

SUGGESTION GOVERNMENT UNDERTAKE DREDGING OPERATIONS—GOVERNMENT POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to ask the Acting Prime Minister a question. I hope, Mr. Speaker, that my hon. friends opposite do not rejoice too much in the tribulations of the "in-laws", in Quebec.

Here is my question, Mr. Speaker, which is directed to the Acting Prime Minister: given the surprising development of the dredging contracts affair, and considering that on this subject the market is in such a state and that for all practical purposes real competition is impossible, as emphasized recently by the Minister of Transport, would the minister now feel that the lesson has been learned and

that on the strength of that he should suggest to the cabinet that the Department of Transport buy its own equipment and do its own dredging, in the same manner as it already looks after buoys and icebreaking operations?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I thank the hon. gentleman for his suggestions. We have great confidence in the Minister of Transport, too. But there is a serious problem in connection with the ongoing work of dredging that may have to be done in this country. Most of the companies involved in dredging have been named in the prosecution. I would not necessarily accept his suggestion about nationalization, but I recognize the problem that exists.

[*Translation*]

Mr. Wagner: Mr. Speaker, I should like to put a supplementary to the Minister of Transport.

As he seemed to nod his head in approval a while ago, I should like to ask him whether he is willing to approve this idea and expose his views on the subject?

Hon. Jean Marchand (Minister of Transport): I nodded in approval, Mr. Speaker, for the simple reason that I feel the idea is worth considering. The situation in Canada is not the same everywhere; that is to say that, if we talk of the west coast for instance, dredging can go on 12 months a year and depreciation of the equipment can be spread over 12 months; the same does not apply to eastern Canada where ice naturally brings the use of the equipment to a standstill in November. The idea is therefore worthy of consideration, which is what I wanted to indicate when I nodded.

* * *

[*English*]

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—GOVERNMENT ACTION TO RESTORE MOVEMENT OF GRAIN—REQUEST FOR STATEMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Acting Prime Minister. Could he advise the House whether the government has determined the course of action it is prepared to take or will take to restore the movement of grain and shipping generally?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this and other related questions are under most active consideration but no decisions have been taken.

Mr. Speaker: A supplementary question, the hon. member for Dartmouth—order, please, the hon. Minister of Industry, Trade and Commerce.

Mr. Gillespie: Mr. Speaker, with your agreement I should like to complete the answer to a question put to me by the hon. member—

Some hon. Members: No, no!

Some hon. Members: Oh, oh!

Mr. Chrétien: They do not want an answer.

Mr. Speaker: Perhaps the minister could wait about five minutes until the end of the question period.

Mr. Forrestall: Mr. Speaker, my supplementary question arises partly out of the minister's response and partly out of what we consider to be the urgency and necessity of some information for the Canadian public. Would the minister undertake to advise this House—not today as we accept that negotiation and consideration is an ongoing matter—but on Friday on motions of the present situation with respect to mediation efforts in Vancouver and more particularly with respect to the general situation between the Treasury Board and the General Labour and Trades Groups?

Mr. Sharp: Mr. Speaker, I shall certainly advise my colleagues the Acting Minister of Labour and the President of the Treasury Board to be as forthcoming as possible. I hope my hon. friend recognizes that there are two dangers which we should try to avoid. One is to have negotiations in this House and the other is for the negotiations to proceed under the threat of parliamentary action.

* * *

FISHERIES

POSITION TO BE TAKEN BY CANADA AT LAW OF THE SEA CONFERENCE ON JURISDICTION OVER COASTAL WATERS—REQUEST FOR STATEMENT

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of State responsible for Fisheries concerning a motion which I presented under Standing Order 43 about the position to be taken by this country at the forthcoming law of the Sea Conference. As the minister's colleagues refused to approve the motion, which refusal I consider to be a betrayal of the rights of our fishermen and evidence of this government's contempt for our fishermen, and as the motion is in effect the same motion which was debated and approved by the House in June, 1973—

● (1520)

Mr. Speaker: Order, please. The hon. member for St. John's West has the floor for the purpose of asking a question. I wonder if he would ask his question.

Mr. Carter: Mr. Speaker, as the motion dealt with the position which was being espoused by the minister and his colleagues outside the House and in committee, will the minister assure the House and fishermen of the country that the Canadian position has not changed and that the position we shall put forward at the forthcoming Law of the Sea Conference will be the same as that outlined by him and his colleagues on numerous occasions in the past couple of years.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I do not think the fishermen of the country need to be reassured after the excellent speech my colleague, the Secretary of State for External Affairs, made in Halifax a couple of weeks ago. But, if they need to be

reassured, let me say that our delegation in going to Geneva with a firm mandate to negotiate hard on behalf of Canada.

Mr. Carter: A supplementary question, Mr. Speaker. Will the minister or his colleague, the Secretary of State for External Affairs, outline on motions and put up on public record the position which this government will take at the Law of the Sea Conference which is to begin in Geneva on March 17.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I appeared before the Standing Committee on External Affairs and National Defence last night, and in my opening statement set out once again the position which Canada will take at the Law of the Sea Conference. As the deliberations proceed, I will be prepared to answer questions on the details of our presentation at the conference. I assure my hon. friend that the position which is well known as the Canadian position will be upheld at the conference.

* * *

INDUSTRY

SHIPBUILDING SUBSIDY PROGRAM—AMOUNT DUE TO MARINE INDUSTRIES LIMITED

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I rise on a point of order. The hon. member for Northumberland-Durham asked me how much the subsidy payment is outstanding under our commitments under the subsidy program when he put his question on the relationship of subsidy payments and the dredging contracts. I have just been informed that payments totalling $1,190,000 with respect to Marine Industries Limited under the shipbuilding subsidy agreements are due.

MICROSYSTEMS INTERNATIONAL—AMOUNT OF CONDITIONAL AND UNCONDITIONAL GRANTS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, while I am on my feet, may I clarify an answer I gave the member for Winnipeg North to do with grants to Microsystems International. I had indicated that $13 million, of the total of close to $30 million in grants was conditional, and $16 million was unconditional. On checking, I find that the grants totalling $30.4 million were all conditional grants.

Mr. Lawrence: Mr. Speaker, I rise on the same point of order. I assume, since Your Honour allowed the minister to get up and partially answer a question on the basis of knowledge he must have had when the question was asked in the first place, that you will permit me to ask a supplementary question arising from that answer. My point of order is this: I wonder if the minister would be good enough, at the same time, to indicate to us the total amount owing under both the income tax charges and the fraud and conspiracy charges, as indicated in the indictments relating to Marine Industries Limited, and whether these actually cover the amounts he is now talking about.

[Mr. LeBlanc (Westmorland-Kent).]

If he cannot answer that, I wonder if the Solicitor General can.

Mr. Speaker: Order, please. Orders of the day.

GOVERNMENT ORDERS

[*English*]

PETRO-CANADA ACT

MEASURE TO ESTABLISH CROWN CORPORATION

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved that Bill C-8, to establish a national petroleum company, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Mr. Speaker, it is my pleasure today to rise and move that Bill C-8, to establish a national petroleum company, be read the second time and referred to the Standing Committee on National Resources and Public Works. This bill is a most important element in the government's long-term planning to secure adequate supplies of energy to meet our national needs. It is firmly rooted in the basic objectives of our energy and resource policies which are, to ensure for Canadians adequate and reliable supplies at reasonable prices, as well as a direct share in the wealth which development of our resources generates.

My emphasis on long-term planning is deliberate and necessary. We harbour no illusions that establishment of a national petroleum company is likely to lead to early and spectacular results in terms of massive energy development or financial success. I want the House to know that we are going into this venture in full realization of the fact that the hazards of exploration risk, technical and commercial uncertainty await this venture. We are nevertheless convinced that the national interests now require a significant degree of federal public enterprise in the oil and natural gas area. This enterprise will complement other federal efforts in the uranium and nuclear sectors, and reinforce provincial activities in electric power.

The vehicle we have chosen to carry out this function is a national petroleum company. Its organization, structure, objects, powers and duties are described in the bill and summarized in the Administrator's recommendation attached to it. The bill is neither lengthy nor complex, and detailed discussion of its provisions should be held for the committee stage. I do wish to spend some time, however, explaining to the House why this legislation has been brought forward.

[*Translation*]

Mr. Speaker, hon. members will recall that the energy policy review which I published nearly two years ago included extensive description of the role of state participation in the energy industry in Canada and abroad together with a careful analysis of the benefits and drawbacks which might stem from the creation of a Canadian national petroleum company. The advantages and disadvantages as represented in the review appeared to balance

out, and no conclusion was drawn one way or the other. I think that this fairly reflected the government's position at the time.

I need hardly remind the House how much things have changed since then. The physical limitations of commercially-accessible energy resources in southern Canada have become even clearer. The economic, technical and environmental problems of developing the energy resources in our geographical and technical frontiers—the north, the oil sands and the offshore—have if anything been magnified by the passage of time. The terms and channels of access to overseas oil and energy supplies to meet deficiencies in our domestic resources have sharply changed. Fresh uncertainties have arisen as to the physical security of those supplies in certain circumstances. And we have experienced, and still face, huge increases in the real cost of our energy supplies, whether from the domestic frontiers or from abroad.

[*English*]

Our published analysis of the pros and cons of public enterprise in the petroleum industry was carried out towards the end of a long period of tranquillity, and apparent stability, in domestic and international energy affairs. The changes since then in circumstances and outlooks have been radical and, for the most part, permanent. It is the extent and nature of these changes which have in our view tipped the balance decisively in favour of federal entrepreneurship in the oil and energy industries.

This does not mean that the government finds that Canada has not been well served by private enterprise in the petroleum industry. Private companies, whether Canadian or foreign-owned, have generally worked vigorously to develop our oil and gas resources, to create transportation systems for them, and to refine and distribute efficiently oil products. The privately-owned Canadian oil industry has a good record of technical and managerial innovation.

● (1530)

The concerns which have led the government to propose establishment of a national petroleum company have much more to do with the future than with the past. These concerns relate principally to matters of energy supply, particularly the supply of oil and gas.

The government does not feel assured that the private sector can be relied upon to mobilize all of the enormous amounts of capital which will be required to secure energy development consonant with Canadian needs over the longer term. Nor can it be certain that, faced with attractive investment opportunities and geological possibilities abroad, the private oil industry will be able to concentrate as much effort on our own petroleum prospective areas over the next decades as our needs require.

There are uncertainties, too, in respect of arrangements to import the oil which we need to supply consumers in the eastern part of our country. Oil resources in overseas exporting countries are quickly coming under the ownership and control of state-owned petroleum companies. As I will elaborate later in these remarks, circumstances could well develop, in such a way that oil imports could more advantageously be made by a nationally-owned Canadian corporation than by the private companies which have so far served us in this area.

The compelling reasons for creation of a national petroleum company relate therefore primarily to security of supply—from our domestic resources and also possibly from abroad. Besides providing a new focus for mobilizing capital and skills in the service of necessary resource development, the company will bring to the petroleum sector the social benefit to Canadians of the pride, satisfaction and confidence of owning a portion of this critically important Canadian industry. I firmly believe that a majority of Canadians desire such a presence and a broadening of Canadian ownership in this industry.

As this enterprise develops, we can reasonably expect to reap a number of side benefits. A degree of knowledge and insight will be available which simply cannot be acquired by other means. This insight will extend to a first-hand experience of the effects of our own and provincial government's policies, and thereby to the appropriate design of those policies to the benefit of all parties. The national petroleum company may also be able to play an important role in regional development. Also within what might be regarded in part as a "social function", the company will be expected to pay special attention to education and training of native peoples in the petroleum sector. Finally, the company would be expected to carry out research into problems of petroleum development which are peculiar to Canadian circumstances.

Let me now exemplify how we envisage the company will be able to serve the national interest in terms of expanding our domestic supply potential, improving our access to overseas resources, and reaping a number of other benefits for the country as a whole.

We have chosen to set the national petroleum company in a corporate business framework as a means to better achieve our goals. In its organization and business methods, the company will be subject to the basic disciplines of an operating statement and balance sheet. The corporation will be responsible to its shareholders, the people of Canada. I think the directors of the company may from time to time judge that short-term profit maximization is not in the interests of these shareholders, all of whom stand to be affected directly or indirectly by the corporation's actions. That criterion may properly be modified in the interests of long-term future energy supply for Canada, and in terms of job opportunities or the development of particular parts of Canada.

The company will be able to mobilize capital on an important scale, even by the standards of those large private enterprises which characterize the energy business in Canada. The initial capitalization of $500 million can be supplemented by debt-raising to $1 billion. I would expect that the federal government would stand behind the company when it seeks to raise debt capital. The capital resources which the company will thereby be able to command are substantial and will enable it to play a significant role in our total petroleum investment picture at a relatively early stage in its life.

The government expects that the most important function of this enterprise will lie in the area of oil and gas exploration and development, particularly in our frontier areas. Private investment, both Canadian and foreign-con-

trolled, will continue to play an important role in this area. However, we are looking to the company to increase the Canadian presence in a sector which is of critical importance to assuring future energy supplies. Where possible, the company would seek to operate jointly with both Canadian and foreign firms in development activity.

As the House knows, the federal government holds a 45 per cent interest in Panarctic Oils Ltd. For the past eight years this company has carried out an extensive exploration program in the Arctic Islands. The national petroleum company would co-ordinate government interests and objectives in relation to Panarctic's future activities.

There may be areas of exploration which are not undertaken by the private sector, either because commercial returns are not easily defined by the corporations involved or because they are deemed to be too far distant. There may also be areas of exploration which are not pursued by the private sector because of the financial burdens involved. These are cases where the company would carry out exploration activities of its own.

[*Translation*]

Mr. Speaker, this public enterprise will not be restricted to exploration for conventional hydrocarbons. Considerable technological advances remain to be achieved in the field of synthetic oil and gas production. Syncrude is a case in point. This important undertaking, which may become the first investment of our new petroleum company, is a large-scale step towards the commercial development of the oil sands.

The road ahead is a long and difficult one. The mining technology, which is more developed than the unproved in situ technique, can sustain access to more than 20 billion barrels of much needed reserves. The investment requirements are, however, very large—and probably beyond the capability of any single corporation or even group of companies operating in our country. Also, the largest private entities which may be potential participants in oil sands projects are necessarily the foreign controlled internationals. The best way to secure a Canadian presence a rate of development consistent with our national interest, a proper share of the income generated by such activity and full access to new technology, is by a direct government involvement in key ventures through a corporation which can develop the necessary expertise. Our national petroleum company would then be in a position to act as a catalyst for succeeding projects, assisting in their planning and financing as well as participating ultimately in their revenues.

About four-fifths of the immense resources of the oil sands can only be unlocked by successful development of in situ technology. It is clearly a matter of prime national interest to foster research in this area. Our national petroleum company should be the vehicle through which this federal participation in research is supported and monitored. It would thereby secure for the country the technology and access to patents needed for in situ commercial exploitation of the oil sands.

[*English*]

Exploration, development and associated research are but the first important steps toward commercial development of our frontier oil resources. To bring them to market will involve the construction and operation of transportation systems of unprecedented size, complexity and cost. To bring these facilities on-stream threatens to strain the financial resources of private industry and capital markets. An alternative to even heavier reliance on foreign investment to finance these projects would be participation in them by a national petroleum company. This would seem a natural extension to its efforts, by assuring that the energy resources it helped to find and develop are brought to the Canadian consumer without undue delay and at least cost.

● (1540)

However successful our domestic resource development is, over the next few years we are likely to remain dependent on foreign sources for petroleum supply to eastern Canada. The government has acted to reduce this dependence by promoting the construction of pipeline facilities to bring western Canadian oil to Montreal. It is also taking steps domestically, and in conjunction with other countries, to minimize the risks and consequences of overseas supply dislocation. And it has, of course, cushioned the eastern Canadian consumer from the effects of recent overseas oil price increases. The basic element of supply for eastern Canada, namely, the importation of foreign crude oil for refining here, nevertheless remains in the hands of private companies.

It is a striking fact that every one of the dozen countries from which we import significant quantities of crude oil has its own state oil company and is progressively increasing the role of that company in relation to international transactions. If circumstances continue to develop in this direction, it could be that it will be more advantageous for us to import some of our crude oil through a public enterprise rather than entirely by means of private companies. The national corporation will be ready to take part in petroleum importing activities if it is clearly in the national interest for it to do so. The obvious interest to be served is that of importing at lower cost than the private companies are able to.

It is conceivable as well that a national company might be able to enter into arrangements with a foreign state petroleum company which would offer greater assurance of supply continuity than could be provided by arrangements effected by private importers. In a general way the corporation might well be a most effective vehicle for the implementation of constructive political and trade relations with the oil exporting countries.

I would like now to turn to the matter of the domestic ownership of Canadian energy resources. Phase I of the energy policy studies revealed that the extent of foreign ownership or control of the petroleum industry is in excess of 90 per cent. One way in which Canadians can assert their presence in this heavily dominated sector of our economy is by having a nationally-owned company which could bring together smaller Canadian companies into a larger, more competitive entity through joint ventures and the forming of various consortia. I should emphasize here that the development of the north will require capital of a magnitude not normally available to most Canadian-owned companies. The national corporation can play a decisive role in the formation of joint ventures in an attempt to alleviate this problem. Such partnerships may offer viable alternatives to the small

Canadian operators who, in the past, have had to sell out to the internationals when they ran short of risk capital.

[*Translation*]

Mr. Speaker, this leads me to a most important aspect of the operation of the company, that of staff and manpower training. People are a company's most important resource and the Canadian petroleum industry has developed over the years a highly competent group of professionals who have become experts in all phases of industry operations including its management. The majority of these are employed by foreign-owned companies. The corporation will offer opportunities which are commensurate in challenge and scope, and as its role may ultimately be just as diverse as those of some large international companies; it will provide a good training ground for Canadians wishing to link their careers with the oil industry in the service of Canada.

Much of the activities of the company will take place in frontier areas inhabited by our native peoples and I look to the company to play an important role in training Canadians of Inuit and Indian origin. It could in this way make an effective contribution to the social as well as the economic development of the north.

The bill before us provides powers for the company to engage in "downstream" activities of the petroleum industry such as oil refining and marketing. While the government intends thereby to keep our options open and enable us to respond to future needs and opportunities, it is our present view that this sector of the industry is well provided for by private companies. Moreover, the costs of entering this phase of the business are extremely high and might not immediately be justified in relation to the more pressing need for development of the basic resources.

[*English*]

The House is aware that the economic growth and social progress of our country have taken place in an economic framework characterized by both public and private enterprise. Examples of successful public entrepreneurship in the fields of civil aviation, electric power generation, particularly in development of the CANDU nuclear reactor, the country's most successful energy project, railway transportation and petrochemicals are too numerous to mention here. Until recently our fuel industries have been characterized by almost complete private ownership. I want it to be clearly understood that the national petroleum company which we propose will not replace private industry or private entrepreneurship. We look to the private sector to continue to find, develop, transport and deliver the bulk of our fuel energy needs. The national petroleum company is intended to supplement and stimulate the efforts of the private sector in a co-operative atmosphere to the benefit of all Canadians.

Whether under public or private direction, a significant part of the Canadian economic activity is located in energy producing activities. The largest part of this production is vital to other Canadian industrial activities and to the support of the Canadian lifestyle. The climate of Canada and the standard of living to which we aspire, combine to make this sector of the economy one of the most important. The government has always recognized the special status of this industry. The creation of the national corporation will add to the instruments available to the Government of Canada to advance Canadian interest in secure and adequate energy supplies and in the sharing of the wealth which Canadian resource endowments make possible.

I trust the House will give Bill C-8 the careful consideration and prompt passage which it deserves. I can promise that, upon its enactment, the government will move equally quickly to set up the company and put it to work. The establishment of a national petroleum company is not a venture for the short-sighted or for the timid.

Mr. Bawden: What about the taxpayer?

Mr. Macdonald (Rosedale): Speaking about being shortsighted, I think the best example is the hon. member for Calgary South (Mr. Bawden)—or is he the member for Houston? I really don't know.

Mr. Bawden: Now your prejudices are coming out!

Mr. Macdonald (Rosedale): That great Canadian, the member from Houston!

Mr. Bawden: Where are you from?

Mr. Macdonald (Rosedale): I would ask the House, by passing this legislation, to show its confidence in the reality of our energy potential, its recognition of the magnitude of our needs, and its belief that the time is ripe for a bold step which will give public enterprise a significant role in this critically important industry.

Some hon. Members: Hear, hear!

Mr. James Gillies (Don Valley): Mr. Speaker, I do agree with one thing the Minister of Energy, Mines and Resources (Mr. Macdonald) has said—this is an important debate, for the government's proposal marks a milestone in the development of the Canadian economy; it indicates the direction the government wants the country to take in the future, and suggests the kind of society it wants to create.

● (1550)

We have a proposal today made by the federal government that it move further into the private sector, without there being any demonstration that there is a need for it to do so. The bill is so broad that it is clear the government is taking the position that the private sector can no longer be counted upon to develop natural resources in this country. However, most of the Canadian people believe we should have an economy that basically is operated through the initiative of its citizens, not its governments.

We in Canada have evolved over time a modern, contemporary view of economy policy. No one today objects to the proposition that it is the government's responsibility to provide a level of full employment, to keep prices stable, to do something about regional disparities and to lessen disparity of income among individuals in different parts of the nation. We all believe that this is an essential part of government's responsibilities.

Associated with that, however, is the proposition that the best way to do this is through general monetary and fiscal policy, and the application of regulations where

there are natural monopolies in the system. The best way to assure a high standard of living is not for the government to move directly into the production and distribution of goods and services. The evidence is all too clear that in those areas where the government moves in directly the efficiency of operation is something less than maximum. One need do no more than to point to the post office and all its difficulties to illustrate this point; but evidence from around the world also demonstrates that those countries with the highest standard of living are basically those that depend upon the private sector to produce and distribute resources.

The government is bringing in a bill dealing with a major area affecting the future of this country, a bill proposing measures that are bound to replace the private sector to a considerable degree. The government clearly demonstrates by this legislation that it no longer has confidence that the private sector can operate effectively in this country.

What we should have in these days of runaway inflation is efficiency and effectiveness in the use of our resources, yet we have staggering statistics coming forward showing that in area after area, and particularly in the government sector, there is no increase in productivity at all. Yet the government wants to move even further into the economy than it has gone in the past. Surely if ever there was a time when we should pause and reflect upon expanding government activities, it is now.

What will the proposed company do? It will explore, develop and exploit our hydrocarbon deposits both within and without the country. It is interesting to note that the company will operate outside as well as within the country. It will carry out research and development, engage in the marketing of fuels, and will negotiate and acquire petroleum products necessary to maintain Canadian supplies from abroad.

Why does the government think that a new corporation to implement these measures is necessary? First of all on the question of exploration, presumably the creation of this company is an indication that the government believes there is inadequate exploration by the oil industry today. I say that the majority of informed people involved in natural resource development in Canada would agree with that. But they would point out that the reason there has been a decline in exploration activity in this country is precisely because the government has interfered. The government has evolved policies that make it impossible for the private sector to operate and explore in the way it has in the past. The oil and petroleum industry has never lived with such uncertainty as it has experienced the past two or three years. We have had a hodge-podge of tax legislation and confrontation making it impossible for the oil industry to operate in the normal way.

Most important, Mr. Speaker, the government has formulated no rules or regulations regarding exploration for oil in the vast northern areas of the country that still need to be explored. There is something very peculiar and paradoxical, about the fact that at a time when we are concerned about supply, about exploration and getting more oil on-stream, there is a whole series of activities on the part of the government that make it impossible for exploration to go ahead.

To suggest, for even one moment, that by the creation of another government entity we will automatically get more oil is a false assumption. If the government is really concerned about security of oil supply for this country, what it should do—something it could do immediately—is lay down regulations for exploration in the northern territories and set a tax structure that will enable the industry to go ahead and explore.

The problem the industry in this nation has been facing as we have moved from exploration to development is that it has not known just what the government is asking from it. Whenever the government has passed a series of laws or set a tax structure, we have witnessed a positive and effective response from the private sector. But once the government begins to change the tax laws and introduces uncertainty, this response falters.

One really wonders just what is in the back of the government's mind. It enacted a series of proposals that made it impossible for the industry to operate effectively, and now it wants to create a government company to take the place of private industry. Surely the thing to do before taking such a step is to work out a set of regulations and laws making it possible for the industry to operate, and then we will have a reasonable test and time to determine whether or not there is any need for some sort of direct government intervention of the kind proposed in the legislation before us today.

Additional clauses of the bill call for the distribution and refining of fuels. Does anyone really believe that we in the parliament of Canada need legislation today allowing the federal government to get into the business of refining? Does anyone really believe there is a need for the establishment of a corporation to distribute refined gas in this country? So far as refined products are concerned, a visit to any city, town, village or crossroads will indicate that the last thing that the government needs to invest money in at this time, if ever, is the establishment of a distribution system for petroleum products. Obviously the distribution system that we have is operating effectively; the government does not need to take the taxpayers' money to become involved in this kind of operation.

In addition, the bill calls for powers to negotiate and acquire petroleum products from abroad. Again I ask, do we need a new company, paid for by the taxpayers, to do this sort of thing? As some of my colleagues have suggested during the course of the speech of the minister, this is something that could be done by the Department of Supply and Services. This should give us cause to pause, because the one time that the Department of Supply and Services went to the market to acquire oil it acquired it at probably the highest price paid for oil at any time, certainly in the history of Canada.

It is very difficult to find any need for the establishment of such a corporation as is proposed. I am sure we all applaud the development by the government of agencies, institutions and other bodies that help solve the problems facing the country. But there is nothing that suggests that we need this particular corporation to do things the Canadian people want done. It will not produce one extra barrel of oil for Canada.

Surely we do not need to have the government enter the refining business. It is obvious we do not need the government in the distribution business. No legislation is required to enable us to deal with other foreign countries; existing departments can carry out this function. So why introduce the legislation at all? Why spend the taxpayers' money on the establishment of such a company, particularly at a time when we should be very much concerned about expanding the economy, and about the inflationary impact of increasing government intervention? Why should we go ahead and pass the legislation proposed by the minister today?

● (1600)

Indeed, if you look at other aspects of the legislation such as those in clause 7(1)(d)(c) and (e) you will see that this company will have almost unlimited power in respect to acquiring and lending money to other companies. This legislation will give power to the government to do anything it wants in so far as the petroleum industry is concerned. I think it is wrong in principle to pass legislation that gives this sort of unlimited power to any government. It may be all very well for the minister and his colleagues to say they do not intend to get into the distribution business or to acquire other companies, and so on and so forth, but the fact is that in this legislation we are giving the power to the government which will allow it, if it so desires, to move in and literally take over the entire petroleum industry in Canada.

The minister has made it clear he is counting on the private sector to be the chief element in the development of resources and for providing for the oil needs of this country in the future. If that is the case why does he need legislation of this sort? If he is going to count on the private sector he does not need clause 7 in order to do some of the things he thinks are essential. Many countries got into trouble by passing legislation allowing for blanket operations on the part of government, when the government itself did not specify why it needed that sort of legislation. We are very opposed to that sort of broad right being given to the government at this particular time. We do not believe it is appropriate that the government be given the power under this legislation to take over the entire petroleum development industry in this country, if it wants to do so. It seems to me far from clear why this legislation is needed.

We cannot see that any of the proposals which have been put forward in the bill will really answer the energy problems facing this country. We do not really believe that the government will have much impact on total pricing in the country through the development of a $500 million corporation, or that it will have much influence on the industry as a whole. When you realize that Imperial Oil has revenue of $2.6 billion, and Exxon with much greater sales, it is clear that a $500 million company will not have much effect.

The argument is made that the government needs this legislation in order that it may have a marginal effect on pricing by the OPEC countries, but it seems to me that this sort of influence will be quite ineffective. I doubt very much whether a government controlled company will have any more opportunity to buy oil cheaper from OPEC countries, or other suppliers, than the people who are buying that oil now. Certainly if it happens that the selling countries will not deal with anything except a government agency, we have the opportunity through various departments of the government to meet that particular requirement. As has been often suggested, we do not need a national petroleum company simply to buy oil from suppliers, and to suggest that this would allow us to buy oil cheaper I think is stretching our credibility a long way.

In addition, the minister says it is important to have federal government presence in the energy field. I suggest we already have a presence in that field through Panarctic. I think the government's case is far from made in this respect, because if it feels it should expand its position in this area why cannot it do so through Panarctic? Panarctic has the power to explore in the Arctic, and certainly if there is a need for further expansion of government into the private sector in this area then why not stay with Panarctic? Why is it necessary to start up a totally new corporation? It is this type of duplication that causes the government to grow so rapidly.

It is absolutely wrong for the government to suggest that Canadians cannot be protected in respect to their resources unless we have a national petroleum company. Canadians are protected now through the leasing and ownership arrangements that prevail in respect of all or much of the land where exploration is taking place.

Having regard to the minister's observation about foreign Control of the petroleum industry, one is well aware of this, but surely the suggestion is not seriously made that by establishing a national oil company to the tune of $500 million we are making an adequate response to this situation. This does nothing about the total question of control. If the government is serious about the proposition that there is too much control of the petroleum industry in Canada in foreign hands, surely the answer is to change the tax laws to make it more attractive to Canadians to invest in the industry, and more attractive for the companies which own the shares to divest them to Canadians.

The suggestion that because we are going to have a $500 million oil company and a greater national presence in the petroleum industry, this will really solve the problems, seems to me to be rather ludicrous. The argument that we should establish a national oil company in order to get better information about the petroleum industries can only be an indication of the failure on the part of the government to utilize its existing powers. It is suggested that the government cannot get the information it needs, or that the National Energy Board does not have the information. Surely the Department of Energy, Mines and Resources and the National Energy Board can get the information required to make appropriate decisions in respect of the development of our resources and the petroleum industry in general, if they are determined to do so.

Finally, it seems to me that during a period when there is a scarcity of resources, a tight market in respect of labour and a scarcity of trained geologists and other people needed to expand the petroleum industry, this is not the time for the federal government to compete with private industry for those resources, and I am sure the minister knows well the situation in the western prov-

inces. To do so will only make what is a serious situation even more serious.

People have wondered when this proposed company would get under way. The best estimate is that it will be five or ten years, perhaps even longer, before it will have any impact. There is no indication by the minister that the company will produce one extra barrel of oil for the Canadian people. The only thing we know is that it will use more of the taxpayers' money, and will mean an even greater expansion of government into the private sector.

There is every indication that the establishment of this company will cost the taxpayers a lot more money through the expansion of government, at a time of chaotic conditions in the industry, most of which have been created by the government itself. It is impossible to assess really what will be fulfilled by the corporation proposed by the minister. We feel very strongly on this side of the House that there is no need for this institution. We believe that the things the minister thinks have to be done, such as the management of Syncrude, exploration, and other things of that sort, are being appropriately handled without this legislation by the private sector, which is the vehicle in force today, and to that extent it should be allowed to continue. We believe that by granting the broad powers that are proposed for a corporation of this sort we are embarking on a totally new approach in this country to the development of energy and resources, an approach that will not lead to more efficient use or to the quicker development of our resources, and an approach that will not benefit the Canadian people in general. That is the reason why we are going to oppose, as strenuously as we can, the establishment of this corporation and the passage of this bill.

● (1610)

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, Bill C-8 proposes to set up a Crown corporation which will be known as Petro-Canada. It gives wide and sweeping powers to the proposed Crown corporation, operating under a board of directors responsible to a designated minister and subject to the approval of the governor in council.

Clause 3 of the bill sets forth the purpose of the corporation, and that purpose is sufficiently wide to cover any activity in the field of exploration, development, refining or marketing of petroleum products. Let me put on the record Clause 3 of the bill which sets forth the purpose of the legislation. It reads:

> The purpose of this act is to establish within the energy industries in Canada a Crown owned company with authority to explore for hydrocarbon deposits, to negotiate for and acquire petroleum products from abroad to assure a continuity of supply for the needs of Canada, to develop and exploit deposits of hydrocarbons within and without Canada in the interests of Canada, to carry out research and development projects in relation to hydrocarbons and other fuels, and to engage in exploration for, and the production, distribution, refining and marketing of, fuels.

In clauses 6 and 7 the powers of the corporation are set forth, and I notice that the hon. member for Don Valley (Mr. Gillies) was expressing some horror about the sweeping nature of these powers. I want to say that so far as the members of this party are concerned, we think that the powers set forth in clauses 6 and 7 are absolutely necessary if Petro-Canada is to play an effective role in an economic area which has too long been occupied and dominated by the multi-national giants.

The powers conferred on the corporation are wide powers and I think they would gladden the heart of any advocate of public ownership, but even if these powers are used, and even if Petro-Canada becomes a very powerful force in the oil industry of this country, it will still be a pigmy compared with the members of the world's oil cartel.

Petro-Canada, under this legislation, will have 100 common shares at a par value of $5 million each, to be held by the Government of Canada. The corporation will have authority to borrow up to $1 billion, subject to cabinet approval. It will have authority to set up subsidiaries to carry out economic activities provided they are related to the objectives for which Petro-Canada is being established by parliament.

I want to make it perfectly clear that we in the NDP not only do not object but we welcome the wide powers and the financial investments which are authorized by the passage of this legislation. It should be remembered that the people of Canada have paid billions of dollars to enlarge and enrich foreign oil companies, and only now, belatedly, are we setting up an economic vehicle to develop our petroleum resources for the benefit of Canadians.

There are some changes that we hope might be made when the bill is before the Standing Committee on National Resources and Public Works, and I will not take time to elaborate on them here except to say that one of the matters which I think should be considered by the committee and the House is a defect which we think represents a lack of adequate parliamentary control over the financial operations of the proposed corporation. I think the legislation should at least require that the annual report of this corporation and the appropriation for it should be reviewed each year by a standing committee, and that the report of that committee should be dealt with in the House before the House recesses.

Personally I am appalled at the extent to which Crown corporations and government agencies operate with only a token control by parliament. We do not think for a moment that parliament can interfere on a daily basis with the operation of a Crown corporation, but neither do we think that parliament should be asked to launch a corporation that is not responsible to the people through their elected representatives. After all, it is the people who pay the shot and it is supposedly for their benefit that the corporation is being established.

I want to turn now to ask the House to give some thought to the question of the role of Petro-Canada. As I have said, we welcome the legislation and we agree with the powers and the financial capacity which this legislation will give to Petro-Canada. But this measure can mean a great deal, or it can mean nothing at all.

The words in the bill are very inspiring, but until we hear the music we will not know whether or not we have a song on our hands. I have seen many bills passed with great fanfare, only to turn out to be a terrible disappointment. After all, it is the results that will count and not the

words in the bill or the rhetoric in the speech which the minister made today. I must say, on the basis of past performance in some of the ventures that the government has made into the field of public ownership, that I am not very optimistic.

This House must recognize that passing this bill will mean nothing at all unless Petro-Canada is given a real role in the oil industry of this country. This Crown corporation is an economic tool, and nothing more. It can be used effectively, or it can lie idle and hardly be used at all.

What is the role that the corporation is to play in the oil industry? It has the powers, as set out in the legislation, to assert the Canadian people's sovereignty and to grant them the right to enjoy the benefits of their natural legacy. But will these powers be used effectively and, if so, how will they be used? In the final analysis we cannot determine the role of Petro-Canada until the government has decided upon a clear and definitive national oil policy.

● (1620)

What is the thrust of the government's program for developing oil resources? Will we continue to leave control in the hands of the multinational corporations? Considering the Syncrude arrangement, I gather that we will. Are the Canadian people in the future to have oil prices determined by the OPEC countries which set the international price? Judging by the agreement with Syncrude that would seem to be the case because the government is assuring the companies in Syncrude that they will get the international price. The international price on which they base their financial estimated returns is $13.45 a barrel in 1978, $15 a barrel in 1984, and running up to $35 a barrel at the end of the project. What makes me skeptical is that my experience over a number of years shows that the Liberal party has never had the courage to grasp the nettle and face up to its responsibility for public intervention in the economy.

Mr. Gillies: They have done too much.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The Liberal party has always tried to be on both sides, so that we end up with two railroads, two airlines, and two broadcasting systems. When we go into oil development we take 45 per cent of Panarctic and 50 per cent of Syncrude.

If the hon. member for Don Valley (Mr. Gillies) will wait, I will refer in a few minutes to one kind of oil company which will really be doing something and not merely going through the motions. My fear is that if the government follows in the future the policies it has in the past, Petro-Canada will be nothing more than a sophisticated method of subsidizing the oil industry by joint-ventures, by taking over projects the private sector does not want to take over, and by drilling in areas the private sector thinks are too risky or too difficult. Petro-Canada will be nothing more than a means of subsidy. This, of course, has already been done with the Syncrude agreement, and in the agreement the government will be entering into with Interprovincial Pipeline.

What is Petro-Canada going to do? The minister's words were—I cannot quote him accurately, but he can correct me if I am wrong—that the work will be mainly exploratory work in areas which are too distant for the private sector. Will the role of Petro-Canada be to drill in the Arctic, up in the Beaufort Sea, and out in the icebound areas of Canada where no one else wants to go? The major promising geological formations have already been leased, both in the Arctic and in the southern part of Canada, by the major oil companies, so what is Petro-Canada going to do? Will it simply be a bird dog for the private sector? Will it go out looking for oil in unpromising, costly and discouraging areas, and if it finds something then turn it over to the private sector?

An hon. Member: It will be a haven for old Liberal politicians.

Mr. Knowles (Winnipeg North Centre): They will all be in jail.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The hon. member for Don Valley when he spoke suggested that if the government really wants to get into the oil business it could take a larger share of Panarctic instead of the 45 per cent it has now. That is part of the same mental attitude, that if the government is going to get into the oil business, then for God's sake it should go to some part of Canada where it is less likely to get oil, where it will be more costly to get oil, where less profit will be made, and the profitable areas should be left to the private sector which has already milked those areas and the people of Canada to the very limit.

What will be the role of Petro-Canada? Does the government really mean to use this economic tool, which is a good tool? If so, I congratulate the minister and those responsible for drafting it. What is the government going to do with Petro-Canada? Will it be an effective means of assuring the Canadian people a surety of supply of oil at reasonable prices? Or is it simply a charade to soothe the public indignation which is felt all across this country against the major oil corporations that have been gypping the public for decades?

If the government is really serious about setting up this Crown corporation, the minister should tell us and define clearly for us what its role will be, and outline for us the scenario within which it will perform some useful function.

I suggest to the House, and to the Minister of Energy, Mines and Resources (Mr. Macdonald), that Petro-Canada can be a very useful economic instrument. It can be used to break the economic stranglehold of the foreign oil cartel which, as the minister said this afternoon, controls over 90 per cent of our oil production, and some 99 per cent of our oil refining. This international oligarchy has squandered our Canadian resources, fleeced the Canadian public, and now it stands ready to hold the government and the people of Canada to ransom to compel us to accept its terms in order to get the economic development we need to meet our oil and gas needs.

I respect the hon. member for Don Valley as a member of parliament, and I respect his right to have his own views. He said—and he can correct me if I am not quoting him accurately—that this bill represents a lack of confidence in the private sector. I agree with that statement. I think most Canadians have lost confidence in the private

sector with regard to the oil and gas industry in this country.

The poll taken last year proved conclusively that the bulk of the Canadian people feel that the foreign controlled multinational corporations have fleeced them. They have shipped 50 per cent to 60 per cent of our oil and gas out of the country at low prices. They have brought us to the point where today we face dwindling resources and the possibility of being unable to meet our needs, and they have now put the gun to our heads and said that we must come across on their terms or they will not help us out of the mess in which we find ourselves. If Petro-Canada is going to have an effective role in meeting this situation, this will not be done by giving it some peripheral role up in the Arctic, or in a joint venture in which it has 10 per cent or 15 per cent or 25 per cent equity.

● (1630)

There are at least two things which Petro-Canada must do if it is not going to be merely a farce and a charade. First of all Petro-Canada should take over one of the major oil companies and operate it. That is the only way it is going to get into the promising oil bearing formations. It is the only way it is going to get refining facilities. The company which would be most logical is Imperial Oil, which has had generous leases given to it in the Arctic and the southern part of Canada by this and other governments. It has the refineries, and it controls interprovincial pipelines which could transport the oil.

If the government is really serious it should get Petro-Canada to take over one of the major oil companies and give the oil industry some competition. It could guarantee to the Canadian people that there would be oil produced and distributed in this country on the basis of the well-being of Canada, and not on the basis of making profits for Exxon or any of the large multinational giants.

Instead of taking over a large company the government keeps on subsidizing. We subsidize Imperial, Gulf and Cities Service by tax concessions and guaranteeing them an international oil price, and by putting up part of the equity capital. We subsidize the Interprovincial Oil Pipeline Company by guaranteeing it against loss if it builds a pipeline from Sarnia to Montreal.

The country is getting a little fed up with these entrepreneurs who read us lectures about "standing on your own feet", "no government intervention", "no government subsidies", "welfare bums", and "unemployment rip-off" in the unemployment insurance plan, but the moment there is an election in the offing they are the first people to the trough wanting subsidies, tax concessions, protective tariffs, quotas—

Mr. Gillies: They should not get it.

Mr. Douglas (Nanaimo-Cowichan-The Islands): But they do get it, and have got it from successive governments, decade after decade. If the private enterprise sector of the economy is anxious to develop the oil and gas resources of this country, then the people in it should not be asking for the concessions they get. If they are not prepared to do it they should get out of the way and let the people of Canada do it for themselves. That is why I say that if Petro-Canada is going to have any effect at all, if it is going to change the picture in Canada with respect to the discovery, development, refining and distribution of oil and natural gas, it has got to nationalize one of the major companies.

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

After listening to the hon. member for Saint-Hyacinthe (Mr. Wagner) asking the government to nationalize the dredging industry in Canada I can say that maybe the Conservative Party would not think it is such a terrible thing to talk about nationalizing the oil industry.

The second thing which I think Petro-Canada must do, if it is going to be of value to the Canadian people, is become the sole importer of oil in this country. There is no reason at all why it cannot be the sole purchaser of oil. It would, of course, have to distribute it through the channels which at the present time are in the hands of private companies, but the oil should be imported through a Crown corporation.

The tragedy is when the government, in the interests of the people of Canada, tries to help the people and calls upon the private sector to co-operate in doing so, and the private sector rips them off. There is a very good example of that in this morning's newspaper, and it has been apparent to many of us for weeks. Ever since the government initiated the compensation payments program the major oil companies have been shifting their purchases from Venezuela, which was one of the best sources of supply over to Middle Eastern countries. They can get $1.30 more per barrel by taking oil from the Middle East rather than Venezuela.

An hon. Member: Another example of government incompetence.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It is another example of the greed of the oil industry.

Mr. Clarke (Vancouver Quadra): It is commonsense.

Mr. Douglas (Nanaimo-Cowichan-The Islands): To rip off the Treasury of Canada to the tune of $1.30 a barrel on millions of barrels of oil is commonsense? If that is commonsense, then God help us.

Mr. Knowles (Winnipeg North Centre): It is not "cents"—it is dollars.

Mr. Douglas (Nanaimo-Cowichan-The Islands): That is a deplorable attitude. For the oil industry which has had the benefit of these compensation payments to use the loophole of switching its purchases from Venezuela, which has been a good supplier and co-operated with us all through the embargo, over to the Middle Eastern countries for the sake of $1.30 a barrel, is deplorable. We import 800,000 or 900,000 barrels per day, and some 60 per cent of it comes from the Middle East. In my opinion this is reprehensible.

It is interesting that according to this morning's *Globe and Mail* officials of the Department of Energy, Mines and Resources admitted:

> ... that the facts as provided by the Energy Supplies Allocations Board, which runs the compensation program, do seem to suggest that not only have some oil companies discovered a profitable loophole in the program, but that they seem increasingly to be taking advantage of it.

The minister has the tool at his hand when we pass this bill. The compensation payments program was designed to see that those who live east of the Ottawa Valley get crude oil at a price uniform with the rest of Canada, and it was a good program. But if the companies are going to take advantage of it to rip off the federal Treasury then the time has come for the minister to say that oil will now be imported not by the private sector of the oil industry but through Petro-Canada.

As the minister said this afternoon, nearly all the oil-producing countries have nationalized their oil industries . . . in the Middle East and in Africa. I notice that the Prime Minister of Venezuela has notified his parliament that legislation will be introduced within a week or two to nationalize the oil industry in that country. In most of these countries, particularly Iran, Venezuela and Saudi Arabia, they have said publicly that they would prefer to deal on a state to state trading basis. Actually, the Shah of Iran went so far as to say a short time ago that he was prepared to reduce the price of crude oil sold by Iran, on a state to state basis. He will not do this for multinational oil companies because he knows they will stick the difference in their pockets and not pass it on to consumers. But he said he was prepared to reduce the price of oil sold to state trading corporations. Brazil has set up a state trading corporation which is to purchase oil and enter into country to country trading agreements. There is no reason why Canada cannot do it too.

● (1640)

The minister now has the opportunity to establish the Petro-Canada Crown corporation as an oil marketing agency which will handle imported oil, so that we could on the one hand make sure that the compensation payments we are presently making are not part of a rip-off and, on the other hand, make the best possible deals with oil producing countries which are prepared to sell oil on a government to government basis.

Let me close by saying that the situation in this country is far too serious for us to be satisfied with timid measures which are neither fish, fowl nor good red herring. This country faces an energy crisis which, over the next ten or 15 years, can be extremely serious for the people of Canada. I think the crisis can be met successfully, although not easily. But we will not meet it with a Crown corporation which will be stuck up in the Arctic or used merely as a showpiece, to indicate that the government is making the proper genuflections in the direction of public ownership.

If we are to meet this crisis, there must be fundamental changes in the oil industry in Canada. The oil industry in Canada must be restructured. That can only be done if the government is prepared to act boldly, if it is prepared to break the oil cartel which has bled this country almost white, and if it is prepared to step in courageously and follow the trend which is becoming apparent all over the world, the trend which is making the production and distribution of fossil fuels the concern of a public utility.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, some time ago, I was looking through Bill C-8 and I saw that the government wanted to set up a corporation at a cost of $500 millions. I looked into my pocket to check whether I could buy a few shares of that corporation, but when I read a little further the recommendations of His Excellency the Administrator of Canada, I saw that the shares were $5 millions each. I quickly withdrew my hand out of my pocket and I read further again in the bill to discover what benefits Canada would gain from the establishment of that corporation, which would be called Petro-Canada.

Mr. Speaker, after hearing the previous speakers, members will have understood that this House has before it a bill introduced by the hon. minister of Energy, Mines and Resources (Mr. Macdonald). Their speeches have a strong smell of socialist government.

I was surprised to see the reluctance of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) towards this bill. It seems that in his opinion, this bill is not quite totalitarian enough.

Mr. Speaker, the thinking underlying this bill is illustrated by the way all the clauses are printed: they are on the left page and this bill is also a leftist bill.

This bill also provides for the potential transfer of the shares of Panarctic Oils limited. The purpose of this bill is to control every oil-related aspect in Canada: research, exploration, production, import and distribution in Canada.

Mr. Speaker, it is like giving a blank cheque to a corporation of 15 people who will control this energy source which, even if it is depleting, is still important for some years to come.

In this bill, I have been surprised that I did not find, as would have been the case if the government had wanted to be sincere, other energy sources the Corporation could research on. It is as if oil were the only energy source which could be found in Canada's underground. We are aware of the fact, Mr. Speaker, that we have already succeeded in developing nuclear energy sources in Canada. We have not done much in the area of solar energy but we know that in the nineteenth century already, fairly conclusive research has been carried out in Europe. This developement was not continued, and I do not know why. But now that the main source of energy in the world is drying up I think we must look elsewhere.

● (1650)

We were given a report at the time of the famous oil crisis in the autumn of 1973. Newspapers carried out research and determined that at that time, in 1972, known conventional oil reserves in Canada were about eight billion barrels. Considering the projected increase in consumption, Canada's need could be met for 11 and a half years.

Indeed, Mr. Speaker, a recent report showed the accuracy of the previous one. We are also told that non-conventional reserves, that is tar sands, were estimated at between 300 and 770 billion barrels but that it would cost between $20 billion and $30 billion to develop those reserves. That is how things stand.

Mr. Speaker, known oil reserves are not limited only to Canada, and are not depleting only in Canada.

In 1972, known reserves in the United States were good for about ten years which represents world reserves of 5

per cent. Venezuela was good for only 11 years. Indonesia had enough left for only 13 years. It is in Algeria that known reserves are the largest. World reserve is 7 per cent, and world production only 2 per cent, while Algeria's reserves in 1972 was good for 120 years. As to Koweit and Lybia their reserves were good for 35 years. For the USSR it is 26 years, 54 years for Saudi Arabia, and 66 years for Iraq. Altogether, known world reserves were 664.5 billion barrels based on production in 1974. That reserve would last only 36 years.

Mr. Speaker, I wonder whether the proposed investment is really justifiable. Will the exploration required from that corporation go over the same ground where private corporations carried out theirs? If those private companies found nothing, what is the point in returning to look in the same places?

If companies such as Imperial Oil Limited, Texaco Canada Limited, Shell Canada Limited, BP Oil Limited or others have found considerable reserves and have not revealed their content because they are keeping them for later, I think it is the responsibility of the government to find a way to compel them to divulge the results of their research.

That corporation will be composed of 15 members. I suppose, Mr. Speaker, that the Minister of Energy, Mines and Resources (Mr. Macdonald) will not have to write every Liberal member to get suggestions from good Liberals as to who should be appointed head of that corporation.

I suppose he has already thought of some people to manage that new corporation. Yet, Mr. Speaker, in view of the experience of other Crown corporations, we may be allowed to entertain some doubts. Managing a public corporation and managing a private one is quite different. In a private corporation, be it of a large, average or small size, one is accountable to someone; private investments are managed and must be managed wisely so as to grow or one's job is at stake. It is not the same in a public undertaking like a Crown corporation. Even if one is steering a wrong course, even if questionable experiments are made bringing no return, there are no penalties. It is public funds which are spent.

Now, Mr. Speaker, we have seen the same thing happening in other Crown corporations and this is the reason why I entertain some doubts about the outcome of this one. I cannot therefore support the government in the establishment of such a corporation. I have doubts about the results in the first place. Private companies looked after oil exploration and development, they provided Canada with reserves. I believe they did their best. They may have gone too far, because they are not exempt from wrongdoings. But that is something for the government to regulate.

For the benefit of Canadians, Mr. Speaker, if new discoveries are aimed at, we have had experience, in the province of Quebec with a Crown corporation named SOQUIP. It is affiliated with private companies. Until now the results are not so great. Nothing much has been accomplished, although it has been in existence for some years. I believe a federal corporation will not live up to expectations, other than giving jobs to a select group of public servants, and spending the taxpayer's money. The $500 million will have to be borrowed, because we always have a deficit budget. Therefore, money will have to be borrowed to accomplish what has not been done by private enterprise.

At the committee stage, where the details of the bill will be scrutinized, we will have the privilege of questioning people with expertise in this field. We will have an opportunity to obtain more information on every aspect of the bill. We will then be in a position to have a clearer picture of results that may be expected from this kind of corporation.

Therefore, I am not ready at this stage to support the bill. I would however approve its referral to committee, but I have serious doubts that the aims can be achieved. In a democratic type of society such as we enjoy in Canada, I find it amazing that we are constantly endeavoring to administer the socialist way.

[*English*]

Mr. Jim Balfour (Regina East): Mr. Speaker, I welcome the opportunity to enter into the debate on the merits, or otherwise, of passing an abling legislation to permit the federal government to create yet another bureaucratic monster, for which the long-suffering Canadian taxpayer will pick up the tab, in the form of a national petroleum corporation, otherwise to be known as Petro-Canada.

It is quite clear and obvious from a perusal of clause 3 that the purpose of the bill is to establish a Crown owned petroleum company within the petroleum industry of Canada. Under the act, Petro-Canada, as the company is referred to in the bill, will be given the authority to explore, develop and exploit hydrocarbon deposits within and without Canada, carry out research and development projects related to hydrocarbons and other fuels, engage in distribution, production and refining and marketing of fuels and, finally, negotiate for and acquire petroleum products necessary to maintain Canadian supplies from abroad—in short, Mr. Speaker, a fully integrated petroleum corporation.

Its authorized capital is to be $500 million, and the legislation bestows upon the corporation those ancillary powers normally associated with commercial entities operating in the private sector, including wide borrowing powers.

In addition, by clause 22 of the statute, Petro-Canada is given what amounts to a blank cheque in the form of virtually unlimited ability to receive advances out of the consolidated revenue fund of Canada, either by way of loan, or by way of purchase by the consolidated revenue fund of preferred redeemable shares of the company, and the authorized capital of the corporation shall be automatically deemed to be increased by the amount of any preferred shares issued pursuant to such an arrangement.

Before undertaking a more detailed cost-benefit analysis of the bill before us, may I make the general observation that I consider it an unfortunate practice by government to frame legislation in terms far wider than are required to achieve a stated policy object, whether on the grounds of future convenience or otherwise.

A drafting approach appropriate to the private sector, when one normally drafts object powers for incorporation purposes in as broad terms as possible, is not, I suggest,

appropriate to public business, particularly where to do so in this case might have the effect of inducing this House to forbear from in-depth consideration of all possible implications of what is before it through reliance on statements by the minister that, notwithstanding the form of the statute, the intention is not to engage in certain activities but rather to limit the Crown company to the business of tar sand development, frontier exploration, off-shore purchases, and research and development into alternative energy supplies.

● (1700)

The purpose and authority of the proposed company should be specified and frankly disclosed on the principle that if in the future it should be considered desirable as a matter of public policy to widen the scope of the proposed company's undertaking, the minister could then return to parliament with fresh legislative proposals and advance these on their own merits in the light of conditions and circumstances that may at that point in time apply.

Unlike some of my colleagues, whose views I nevertheless respect, I have no particular prejudice against government involvement in commercial activity when logic and circumstance indicate such involvement to be appropriate and in the public interest. Power utilities, telephone utilities, the Bank of Canada, the Canadian Broadcasting Corporation, Central Mortgage and Housing Corporation—all these are examples of such activity by provincial and federal governments.

However, I do suggest there should be criteria by which the need for and desirability of such government activity and involvement are judged, and such criteria would surely include the following test—has the private sector failed to meet a demonstrable social or economic need in connection with the commercial activity which the government proposes to enter? In the case of the domestic petroleum industry I submit to the minister that he has totally failed to meet this fundamental test.

On the contrary, in the 20-odd years since the Leduc and the Redwater discoveries in Alberta the domestic petroleum industry has developed from a relatively insignificant state into what could be characterized as a mature, aggressive, innovative and confident industry, willing and capable of undertaking the high-risk, difficult task of providing for Canada and Canadians self-sufficiency in petroleum and natural gas supplies for the decades ahead and, incidentally, employing directly hundreds of thousands of Canadians in both western and eastern Canada. That, at any rate, was the situation a little more than one year ago.

There are those, Mr. Speaker, who favour state ownership and control for its own sake and who would welcome creation of a national petroleum corporation regardless of considerations of cost and practicality. There are others who view state ownership of commercial entities as unacceptable per se and reject such a concept regardless of any benefits which might be forthcoming. For most Canadians, however, government involvement in the private sector is neither panacea nor Pandora's box. Most Canadians, I suspect, would wish to have each case examined on its merits. For this majority the judgment for or against the merits of establishing a national petroleum corporation will depend on the particular benefits that such an institution can offer, weighed against the costs which would inevitably accompany such a huge undertaking.

In considering this question it is important to bear in mind that longstanding, in-depth government involvement and participation in Canada's energy industry is a scarcely questioned fact of life. Control of the oil and gas sectors, the sectors most relevant to our discussion, is exercised by both federal and provincial authorities.

Conservation boards in Alberta, Saskatchewan and British Columbia control the levels of production of oil and gas in their respective provinces and pro-ration such production among the various producing companies.

At the federal level the National Energy Board is charged with the responsibility of ensuring the best use of Canada's energy resources. It regulates the construction and operation of inter-provincial oil and gas pipelines, and the import and export of oil and gas. It exercises jurisdiction and control over mineral lands situate beyond provincial boundaries in the Mackenzie Delta, the high Arctic and the east coast offshore, and makes use of other means of influencing the energy industry through fiscal and taxation measures and moral suasion.

It is evident then that government involvement in the oil and gas industry is not lacking. The question before us, therefore, is not whether to permit government participation in the industry but whether even further participation is warranted.

What can a national petroleum corporation be reasonably expected to contribute to the government's arsenal of existing weapons of control, and to the Canadian economy? What additional problems and costs might it create? Obviously a decision as to the creation of a national petroleum corporation should depend on the weights of the arguments pro and con. The respective weights, however, cannot always be objectively determined. In many cases they are entirely the product of subjective evaluations, and consequently are not quantifiable at all. It is therefore quite possible for individuals to agree on the facts while disagreeing on the preferred policy option. To the extent, however, that one's preference is based on factual considerations, it is important that the facts be accurate.

In the current controversy over the establishment of a national petroleum corporation, enough fanciful powers have already been ascribed to such a corporation to warrant a warning as to what it cannot do.

A national petroleum corporation cannot ensure an adequate supply of energy. If future Canadian needs are to be met from Canadian sources, policies beyond a national petroleum corporation will be required to ensure that domestic priorities are met first. If domestic sources of oil run dry, a national petroleum corporation will be unable to protect Canada from oil shortages, just as European state companies have been unable to protect their respective home countries. It cannot ensure a desirable rate of resource development. If the actual rate diverges from the desirable one, policies beyond the establishment of a national petroleum corporation will be required to induce companies to either speed up or slow down their exploration and development activities.

It cannot ensure low energy prices for Canadians. Provincial electric power corporations have been unable to keep power rates down, even with 100 per cent ownership of the industry. A national petroleum company will not even be able to institute a two-price system shielding Canadians from world energy price pressures. If continuation of such a system is desirable, government policies beyond the establishment of a national petroleum corporation will be necessary.

Finally, a national petroleum corporation, unless it makes up the major part of the petroleum industry, cannot equalize oil prices in all regions of Canada.

In short, there are few tangible policy objectives which a national petroleum corporation could achieve in the absence of support from additional government policies, and few tangible policy objectives which could not be obtained without establishing a national petroleum corporation.

What arguments can be advanced against the creation of a national petroleum corporation? First, I suggest it cannot be demonstrated that such a company would provide Canadians with either more oil or cheaper oil than will be provided by the existing private industry. Second, it is estimated that the cost to Canadian taxpayers of creating a national petroleum corporation which would be a significant force in the industry would amount to between $3 billion and $6 billion, and that the task would take from 15 to 20 years to accomplish, even assuming a high degree of exploration success. Such an assumption cannot be made in absolute terms. Moreover I would point out that, within the 15 to 20 year time frame I have mentioned, alternative energy systems will likely emerge, and in the result Canadian taxpayers may well have created an obsolete industrial entity.

The federal government, through its participation in Panarctic, its ownership of frontier reserves, and its fiscal jurisdiction, already possesses the capacity to ensure adequate participation for all Canadians in the possible economic benefits to be created by the petroleum industry without putting at risk the hard-earned tax dollars of Canadian citizens in massive amounts.

Finally, in a period of our economic history when Canada is experiencing a horrendous rate of inflation, it is singularly inappropriate for its government to pre-occupy itself in an empire-building oil exploration venture which will exacerbate rather than modify the inflationary pressures at work in our economy, and will render more scarce already scarce materials, personnel and hardware which would otherwise be deployed by the private sector.

Let me make this clear, Mr. Speaker—our party supports the government's initiative in Syncrude. Indeed, that initiative meets squarely the criterion referred to earlier in my remarks, namely, that the private sector was clearly unable to meet a demonstrable economic need in the tar sands development project. Without the initiatives taken by the Minister of Energy, Mines and Resources (Mr. Macdonald) on behalf of the Government of Canada and, as well, by the governments of Alberta and Ontario, Syncrude would have floundered, and Canada's ability to utilize on a long term basis what really constitutes our energy ace-in-the-hole would have been jeopardized—a risk we simply could not undertake.

[Mr. Balfour.]

• (1710)

I have no problem either with respect to Petro-Canada assuming ownership of the government's interest in Panarctic, nor with it assuming responsibility for acquiring offshore gas or oil. If amendments to the bill were introduced limiting its scope to these activities, namely, tar sand development, Panarctic, offshore crude purchases, and research and development into alternative energy sources, they would enable easy passage at second reading of the bill so far as this party is concerned. However, so long as the bill remains in its present form, enabling the minister and the government to embark on a high risk entrepreneurial adventure bankrolled by the taxpayers of Canada, we of the Conservative party will remain opposed to its passage.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, Bill C-8 is a reintroduction into the House of the old bill C-32. By a queer coincidence bill C-32 was moved in the last parliament just a few days before the government knew it was going down to defeat on the budget of May 6. It was introduced on May 2.

To put the position into perspective, it will be recalled that at that time the government in power was engaged upon a political exercise to try to divide Canadians as between west and east. The government in power at that time wanted a villain; it wanted the people of Alberta and Saskatchewan to be painted in the minds of the people of Ontario and Quebec as the blue eyed Arabs of this country. That was the fundamental political pressure that brought that bill into the House on May 2, 1974, and it was nothing less than pure political posturing.

As the hon. member for Regina East (Mr. Balfour) has just pointed out, the government knew that the bill would not produce one extra barrel of oil in the next 20 years, and certainly there was no indication that the oil would be produced more cheaply. It was, as I say, political posturing, and I think this bill has been seen in the same light.

It has always been the tradition of the Conservative party to act in the interests of Canada as a nation. If the record of all political parties in Canada were placed on a chart showing which party had moved into the field of enterprise, or business if you like, the Conservative party would rank first. This does not mean that we happen to support the nationalization of industry or that the government should be moving into the field of private enterprise as a matter of philosophy. We take this stand primarily because our country comes first, and if something is not being met by private enterprise, which is supposed to be the dominating philosophy in the western world, and action is needed, then we will provide that action through government effort. So there is no question of principle at stake in this debate. What we as Conservatives have to do is to examine what is best for our country.

The question must be asked, is Petro-Can in the best interests of our country at this particular moment in time? I do not think any person would seriously argue that it is not going to take 15 to 20 years to get the corporation to the level of efficiency that it will produce oil. I know how long the lead time is when one moves into this very expensive and dangerous type of enterprise. Certainly the corporation will not produce oil more cheaply. It is really a

question of keeping up with the Joneses; because other countries have some form of national enterprise in the petroleum industry, therefore Canada should have something similar. That is the essence of the question.

I should like to put forward a better alternative for Canada. In the closing part of my remarks I think I will be able to make it clear that this is not an idea that has just been produced over the last two or three years. It is a lifelong ambition of mine, knowing full well that if it is achieved in the way I see it, the potential for Canadians as individuals is beyond measure.

Canada is one of half a dozen nations in the world that, for the next 100 years or so, will have surplus resources. The opportunity that this gives us must not be lost by the fumbling or posturing of politically oriented government. So far as political orientation is concerned, I suggest that the people of Alberta and Saskatchewan are not the enemies of Canada. As I have pointed out in this House before, every Canadian must realize, if he is morally just, that when the people of those two provinces, through their governments, voluntarily subsidize the consumers of oil in Canada to the tune of almost $3 billion a year as part of their contribution to national strength and unity, they are obviously not the enemies of the people of Canada. But this political issue has disappeared. The issue now is how to take the best course of action to bring to the people of Canada the opportunities our resources give them at a time when the world needs our resources so desperately.

I think the simplest, easiest and best alternative is to let Canadians as individuals own this country. If the government threw away as unworkable, immoral and wrong, the silly budget that we have just passed, and brought in a new budget providing a tax incentive to Canadians as individuals to increase their ownership of the five major companies that control the oil industry in Canada, this could be done within three years. Then Canadians as individuals would own the majority of the shares in the five major international oil companies that presently control our oil resources.

The following figures are based on tabulations that were made about a year ago, but their parameters are still valid. At the present time the total value on the marketplace of the five major oil companies that control the bulk of our oil and gas resources is about $9 billion. Individual Canadians, who through institutions have invested in these oil companies, own about 30 per cent, roughly one-third, of this $9 billion worth of capital assets. If we gave them an inducement of $500 a year, say, how long would it take the Canadian work force to get control of another one-third of these five major companies?

At the present time the government offers inducements under the Income Tax Act to people who want to look after themselves in their old age; they are permitted to invest up to $2,500 in a registered retirement savings plan, or up to $4,000 if they are self-employed. When the figures are published in another year or so for the year 1974-75—people had till the end of February to apply for this plan—they will indicate that almost 45 per cent of the Canadian work force is taking advantage of this inducement to invest in a registered retirement savings plan.

Petro-Canada

● (1720)

People know these registered retirement savings plans give them a very moderate return in interest on their investment, but because they have this incentive of reducing income tax by this device, over 40 per cent of our Canadian working force is putting money into this type of savings.

Let us assume that just 20 per cent wanted to put their money into the ownership of these large oil companies at $500 a year. It would then take about three years before Canadians, as individuals, would own the majority of the shares of these five major oil companies.

It is so easy to get control of this oil industry, if we get the majority of shares into the hands of individuals, to me it has been a matter of shock and concern that no finance minister in my day has ever made this move. Every move we have had on the part of our tax collectors, at least in my day, which goes back a few years, has been in the direction of doing things that turn the ownership of our resources over to people outside the country.

The Canadian working man wants to have a stake in the future, and I include farmers, clerks and everybody else in that designation. They want the opportunity to share in the profits that will occur.

The oil companies calculate that it will be necessary in Canada over the next 25 years to invest $250 billion in the development of our oil and gas reserves and appurtenances. That is an investment rate of $10 billion a year. Let us look at this now as an inducement to those Canadians who want to own Canada as individuals. If the bulk of this investment comes from these five companies, and if the working man is given an inducement to own these companies, then as a result of the investment of that $250 billion some will end up as assets, and by the end of the century, 25 years from now, that $250 billion investment may well make these companies worth about $100 billion or $150 billion on the market. Where can a working man find an investment today in which he can put $500 a year, saving income tax on it, knowing that down the road when he wants to retire he is not tied to a fixed income type of thing, but rather tied to something that is growing with the country?

I should think we would have no trouble in getting 20 per cent of the working force in this country to take advantage of that opportunity. I should think the rush would exceed the rush into registered retirement savings investments. Once we got finished buying out the oil companies why should we not move into all resource companies, one after the other? We would not be leading the working man into a blind alley. This is a risk investment, sure, but the law of averages is with us, and the wealth that will come from this type of development would be in the hands of Canadians as individuals.

If we start a Petro-Canada company it will take 10, 15 or 20 years to build it up. With all the knowledge you can get from science and modern technology such a company will not find oil unless there is one ingredient, and I will not shock your ears, Madam Speaker, by telling you the vulgar word for that in the oil industry, but that one ingredient is luck. They have a different word for it. In other words, the brainiest men you can hire to look for oil, with all the

information they can obtain, with the basic fundamental knowledge of geology, and all the information you can get from geophysical gimmicks, will not discover oil until somebody with a God given insight figures out where to punch the hole.

Canada was absolutely helpless in so far as the supply of oil and gas was concerned in 1946. All the big companies that were here in the 1930's got out of Canada in the war years after spending millions of dollars without any luck. We still had to import our oil at that time. One of the last companies to remain was a small subsidiary of an American company called Exxon, or as it was known at that time, Jersey Standard. It had a small subsidiary in Canada called Imperial. After looking at all the tough luck they had during the previous period of 25 years or so, the directors decided they would drill one last well, backing their geologists in one more effort.

One very low level man kept on telling them they were looking for the wrong type of structure. With his knowledge of the formation of the earth's surface on the prairies he told them they should be looking for reef fields. The men drilling that last well on that last desperate gamble at Le Duc pulled out the pipe after going through that reef, and that was the big Le Duc find. From that point on we have found reef fields all over Alberta and in a few places in Saskatchewan. That man is dead today. He had the God given insight to put his finger on something that in retrospect was obvious, yet with all the high-priced help the oil companies had they were not able to figure it out.

There always has to be that person with the insight in each area of the world, so what guarantee has any company that it can get that man in its employ? You never know who he is, because he looks the same as every other human being. One of the reasons we have had doubtful success in the Mackenzie River basin and on the fringe of the Beaufort Sea is that the three top men in Canadian oil development are no longer available. We are relying on the law of averages to find oil and gas. What we need is an individual with God-given inspiration, and what guarantee is there that Petro-Can will find that man? This whole thing depends on a matter of luck, backed up by tremendous resources and all the knowledge you have collected in respect of exploration.

The point I am making is that we cannot say we oppose Petro-Can in principle. All we are saying is that it will involve a tremendous draw on the people's money in order to set up this huge corporation which, in ordinary logic, has no chance of success for 15 or 20 years. Why should we go to all this trouble when we have in place international oil companies which are out looking for oil? These companies are not our enemies in this regard.

We have been lax as Canadians in not looking after our own interests. What we want is the full benefit of our resources, and this involves not only laws to control these corporations that operate in our country, but the ownership of the shares so that we can take the profits. I would suggest, as a very simple and fundamental alternative, that we should change our income tax regulations to allow individuals to claim exemption from tax on an investment of $500, $750 or $1,000 a year provided it is invested in the purchase of the stocks or shares of these big oil companies, to start with, and then of all the other resource companies we want to own. I think that this is a simple alternative for Canada, and a better one.

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

● (1730)

Just to demonstrate that I am not talking simply as an individual, I will quote the first seven points of a program published last March, a year ago, as the Progressive Conservative policy entitled "Resources for Canadians". It reads:

1. Canada in 1974 urgently requires a comprehensive resources policy.

That we do not have.

2. The Progressive Conservative party in government initiated the northern development policy to open up our resource areas for exploration, set up the National Energy Board to give control and ownership of the transportation of oil, gas and electricity to Canadians, originated the oil and gas regulations in federal lands to protect the Canadian future, and worked with the provinces on hydro power development and transmission.

3. As a result Canada derived great benefits, particularly in terms of non-renewable energy resources. What is needed now is a clear-cut statement of policy by the federal government and the provinces in order that industry and the public can proceed in proper priority to undertake the actions required for Canadians to take full advantage of their resources in the national interest. These future projects have a great potential for Canada not only in material wealth, but in adding to the quality of life of all Canadians in all parts of the country. In short, an imaginative resource policy properly carried out is the main foundation of our development strategy and our life-style for centuries to come.

4. To maximize the benefit to Canadians the Progressive Conservative party believes that as a cornerstone of such a policy for the 1970's and the 1980's Canadians must dedicate themselves to acquiring and holding ownership of more than 50 per cent of the non-renewable resource industries in Canada.

That is what I proposed a few minutes ago.

It goes on to read:

5. A Progressive Conservative government would take the lead in this direction through the establishment of a Resources Canada program. In conjunction with overall national development strategy the Resources Canada program would be directed to this objective. A Progressive Conservative government would negotiate realistic arrangements for the phased marketing of foreign-held shares to accomplish the objective in an orderly fashion.

6. It would also be the aim of a Progressive Conservative government to see such acquired Canadian ownership widely held and steps would be taken to encourage and facilitate opportunities for the average Canadian to participate. Such steps would include appropriate investment incentives for Canadians of modest means.

7. We propose an overhaul of the federal Income Tax Act to provide a "Canadian-firts" policy with respect to resource development.

Those are just seven points out of 22, but they state in an orderly fashion what I have been trying to propose as a better alternative.

The arguments for a Petro-Canada national corporation are only two in number, as I see it. One is that we need some organization in Canada to deal directly with the organizations that exist in other countries. It has been clear for many years that Venezuela, for example, wants to deal with Crown corporations or agencies rather than with big international oil companies. The people of Venezuela have been asking themselves how they can get national sovereign control over their wealth, their oil. Their oil was controlled almost completely by large international oil companies. With the surplus oil in the world over the last 50 years, in effect these companies controlled the destiny

of Venezuela. Venezuela wants to deal with either a Crown corporation or an agency of Canada, it does not care which.

This type of feeling is expressed by nearly all the oil producing countries. For reasons of nationalism they wish to avoid as much as they can dealing with international oil companies, which they consider to have dominated them over the last 50 years.

I think that the minister could make a very good argument on this score, but when I raised this question in the House a year and half ago and pleaded with the minister to establish some form of national structure, it turned out that there was one in place already. During the war the then minister of trade and commerce, the late C. D. Howe, had set up such a Crown corporation with the purpose of buying oil or the other products that we needed to carry out the war effort. That organization has sat idle for all these years, and we only discovered it at the time of emergency a year and a half ago.

I think that if we simply want this type of structure to deal with other countries, it is already in place. Of course it needs strengthening in terms of its personnel so that they are not babes in the woods in the tricky dealings connected with oil and energy resources. But the fact is that that is the reason for having some form of state structure to deal with other states.

The second argument one would advance—and of which I gather the minister was not aware—is related to the fact that under the oil and gas regulations of 1961—if the minister could persuade his colleagues to restore in particular the regulation dealing with how the value of the soil will be shared—approximately 60 per cent of all the oil and gas found in federal lands outside the provinces reverts to the people of Canada. Therefore one could argue that there must be some institution in place to handle this huge volume of oil and gas. If it is in the form of land to start with, decisions must be made as to whether it should be farmed out or dealings undertaken with the company that is the original finder. We must have some government machinery to handle all these choices.

At present we do not have such an organ of the government trained and able to calculate the value of an oil field that is partially developed. One could argue that we need a skilled group to handle this, but if you do have such a skilled group that is part of Petro-Can, and Petro-Can is simply one of the five or six major competitors in finding and distributing the oil, the other five companies will call foul play. So it is not fair competition if the 50 per cent of 60 per cent goes automatically to one company which has not even found the resource.

I think that this argument is sound in theory, that we must have some institution to handle the 50 per cent or 60 per cent that goes back to the people, and we must handle it in such a way as to prevent criticism that we are giving advantage to Petro-Can over other companies.

I put these two arguments to the minister in the hope that he will look at them, with his officials, and not let us be caught in a position that when a major oil or gas find is made we must make a decision on land choice, and are caught with our pants down. That in the north is a serious problem. You have to keep covered up, but we do not have an institution in place to deal with this. We must have an institution right now whereby, if one company wants to lease, we have the machinery for handling our share of the land which comes back to us, and the interests of Canada are protected. But I suggest that that institution will not and should not be Petro-Canada.

● (1740)

I indicated earlier that I wanted to come back to the question of what is good for Canada. In response to the concern of the United States government about the tremendous utilization of resources to carry on the war effort, 23 years ago a group of Americans under the leadership of a man named Paley issued a five volume report telling the American people, according to a list of strategic resources, including both oil and minerals, that their country would soon be helpless and in a desperate position. The target date they estimated for this was 1980.

This same report indicated to the American people, if they wanted to read it, that the oil regulations set up in the United States, which had grown up like Topsy from the early days in Pennsylvania, were wasteful to the people's interests, and the report recommended that oil regulations be changed to give a larger share of the economic rent from these resources to the people of the United States. Not many Canadians read that report, but some did, and I was one.

When I came to this parliament in 1957 I was asked to be the resource minister. Within days after I took over we put through an order in council throwing out the old oil and gas regulations which, in the days of the previous administration, said that all the oil and minerals found went to the party finding them. Then I went before the industry with new regulations based on how the maximum amount of return could be given to the people who owned these resources, the people of Canada, and yet get the money invested to bring them to public use. The oil and gas regulations which were finally promulgated in 1961 ostensibly are still the oil and gas regulations of Canada.

These regulations eliminated all the front end loading charges which add tremendously to the costs of an oil company. They stipulated to the oil companies that in return for taking off all these charges we wanted them, when they came to the production stage or the lease stage, which is ownership, to agree that approximately 60 per cent of the value of this oil and gas would go to the people of Canada, compared to about the 12½ per cent or 15 per cent the provinces were charging.

The oil companies, after a long debate, accepted that because they found out that if we took off these heavy front end loading charges, even though they received a much smaller percentage of the oil and gas value, that gave them sufficient return in capital to keep them operating. The return estimated to keep them operating was 14 per cent, but the people of Canada, through efforts made in those years between 1957 and 1961, were assured under those regulations of receiving the value of 60 per cent of resources found in federal lands. This, to me, was probably the most I could do for my country. Instead of spending all the money paying interest on charges built up over 15 or 20 years, this money would be paid to the people of

Canada so they would enjoy some return on these bountiful resources.

The key regulation dealt with a sharing. In the month of February, 1970, five years ago, the government of the day put this regulation in abeyance, and today none of us know what the government officially has in mind to share these resources. Two years ago this allowed rumours to begin that the government had sold out to the oil companies and would give them all these resources, and all that we were going to take back was 10 per cent. I never supported those rumours because I could not believe any government of any name would do such a terrible thing to the people of Canada. That was 1972. This is now 1975, and they still have not restored that cause. All I can gather is that they cannot make an agreement with Newfoundland, and that therefore the development of our oil and gas in federal lands waits until they solve their dispute with Newfoundland over who owns that oil.

I suggest that if the minister would use his considerable influence, and force his colleagues to a decision on what will be the sharing between the people of Canada and the oil companies, we would have much better results for the people of Canada than we would get by this posturing device of Petro-Can. The minister knows, from remarks I have made in committee and in the House, that with the capital intensive cost not only of the oil and gas industry but of all its related industries, the government will have to change its system of financing.

I would like to put to the minister these proposals I officially made here in the House on January 30. Before I made those proposals I gave a copy of a hypothetical cash flow for an oil sands development to the Minister of Finance (Mr. Turner). I suggested he study them. I suggested he take those proposals to the provinces and to private industry and let them study them.

For nearly 25 days in that budget debate we could not get an answer from the minister. Then on the last day he turned down the proposal on the ground that industry was not in the habit of financing this way. If ever I have heard of a reactionary attitude on the part of any responsible minister, that takes the cake. Just because it has not been done before, we cannot do it in the future! He sounded like a bank president. This is what killed our banks; they would not take any new ideas.

I put this to the minister: that if we are going to have development of our oil pools and gas pools in the north and offshore, if we are going to finance these tremendous capital intensive undertakings, he, as the defender of the peoples' rights in all these resources, must take the lead in finding a new way of financing them whereby over half the money or the value of those resources does not have to go to the payment of interest but instead comes back to the people to help pay the costs of government and give us the quality of life we should have.

Just to make certain that it is understood that this is not a one man idea, two weeks ago the United Kingdom accepted this type of proposal. In their North Sea developments the government has told the oil companies that it would charge only 12½ per cent royalty and then give them a 150 per cent immediate writeoff, which means that if the oil companies have invested over $2 billion in an oilfield, they can pay that off in four or five years, and the

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

150 per cent represents return of capital, return of all interest and pre-production costs.

Then, after this capital is repaid, the government of the United Kingdom representing the people of the United Kingdom steps in and puts on a petroleum revenue tax of 45 per cent which, added to the 12½ per cent, gives them roughly 50 per cent or 55 per cent of the gross returns, almost the same as the figures we put into effect in 1961, where it was roughly 60 per cent. The oil companies will accept that in the North Sea, and they will not suffer because they will get their money back with interest. Afterwards they get an amount which has the effect of giving them 25 per cent on their investment.

● (1750)

Under one of the proposals I made to the Minister of Finance the oil companies would get along with about 19 per cent, but within that range. To say that we are going to have a big Canadian national petroleum company that will be able to buy gas and oil much cheaper, is pure posturing. We should forget about that and think about the needs of the people of Canada. If we do that we must come to the conclusion that they instinctively know that these resources we have had all these years will eventually be needed by the world, and that will be our opportunity. In fact the time is now. As a person who has been interested in this for many years, I am deeply hurt when I see a minister fumbling with something that is so important to Canada.

If the minister wants to do something simple and in the best interests of the Canadian people he should shuffle aside Petro-Canada and ask the Minister of Finance, the Prime Minister and his other colleagues to give the Canadian people, as individuals, a chance to own this country, starting with the oil industry. That would be better for the Canadian people than Petro-Canada. The arguments that can be advanced to end such an institution can also be advanced for other institutions that are already in place or are going to be put in place.

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, the continuing change in the basic philosophy of the Liberal government could not be more starkly illustrated than it is in the structure which it is proposed to impose upon Canada in the form of Petro-Canada. The multitude of reasons given in support of the proposition by the minister are really pretty hollow. All the things that he claims could be done with the vehicle of Petro-Canada could be done by a concerned government with the vehicles that are already in place.

I agree that all this has been said before, but I would add that Canadians must recognize the philosophical change in the Liberal Party as illustrated by the present Liberal government. That change, of course, is the belief that no Canadian knows how to handle his own money, his own resources, or maybe even his own family as well as the paternalistic, philosophical group that sits on your right today, Madam Speaker.

As an illustration of this I should like to draw to the attention of the House clause 7(2) of this bill which reads:

The corporation shall comply with any directions from time to time given to it in writing by the Governor in Council or the minister with respect to the exercise of its powers.

In spite of all the freedoms which have been exercised and granted in this bill, the final control reverts to the minister at worst, and to the cabinet at the very best. All the other clauses can only be read with that clause in mind—that the minister or the governor in council may direct, redirect, alter the course, or at any moment in time interfere with the operation of the company.

How much will members of this House ever know about the operation of this company? Like other Crown corporations it has all the means of financing such as those that have been extended to the CNR and Air Canada. It has the opportunity for the government of Canada to buy preference shares through the consolidated revenue fund. It also has virtually unlimited capacity to borrow from foreign sources. When one goes through the whole bag of economic opportunities for this company to borrow either from the state or from the private sector, without reply to the taxpayer and the House of Commons, one finds it has a relatively uncontrollable structure, excepting only clause 7(2) under which the government may change its course at any moment in time.

Petro-Canada

It has been suggested that some Canadian oil companies might need help and that this would be a wonderful vehicle for such assistance. Some local companies have been gobbled up by the large corporations, and I must agree that to some extent this is detrimental to Canada. But I submit, Madam Speaker, that we do not need a Petro-Canada if it is the desire of the government to have Canadian people develop petroleum resources with Canadian money. That could very well have been achieved through a glorified CDC or a magnified IDB, or any other vehicle the government might have put in place. Basically, however, the government chooses to socialize the petroleum industry. That is the intention of this bill and the people of Canada should be aware of it.

We should be concerned about the integrity of this government. When the voluntary controls were removed we were advised that the price of gasoline would not rise in the east, but a few days after controls were removed we were told that a 6 cents, 7 cents, or even a 10 cents increase was anticipated in the Atlantic area. The credibility of the government is negligible, and its intentions are questionable at this time. I see it is six o'clock, Madam Speaker.

The Acting Speaker (Mrs. Morin): It being six o'clock, this House stands adjourned until tomorrow at two o'clock.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 13, 1975

The House met at 2 p.m.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF SPEAKER OF QUEBEC NATIONAL ASSEMBLY, HON. JEAN-NOËL LAVOIE

Mr. Speaker: Order, please. I know hon. members will want to join me in calling the attention of the House to the presence in our gallery this afternoon of a very distinguished visitor, l'honorable président de l'Assemblée nationale du Québec, l'honorable Jean-Noël Lavoie.

● (1410)

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

REGIONAL ECONOMIC EXPANSION

First report of Standing Committee on Regional Economic Expansion, in both official languages—Mr. Pelletier (Sherbrooke).

LABOUR, MANPOWER AND IMMIGRATION

Second report of Standing Committee on Labour, Manpower and Immigration—Mr. Olivier.

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

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[*English*]

HOUSE OF COMMONS

ORDER PAPER QUESTIONS—OBJECTION TO THEIR BEING MADE ORDER FOR RETURN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. For a number of years I have placed on the order paper a set of questions having to do with pensions in a number of fields. Because of the general interest in these questions I have designed them so that their answers would appear on the order paper. But every year or so some of these questions are made an order for return, even though the answer is from one department and is not very long. I protest the fact that this was done yesterday with respect to question 1,550 which was made an order for return as noted in *Hansard* at pages 4028 and 4029. I realize that the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) is not able to be here today, but I hope a note of my objection will be made for his successor so that this will not happen again.

Mr. Baldwin: He is going to be there forever.

* * *

SPORTS

PRACTICE OF CAHA IN RESPECT OF CHILDREN SIGNING AMATEUR HOCKEY CONTRACTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. This will probably be my last Standing Order 43 motion. As the Canadian Amateur Hockey Association is forcing children to sign forms which are, in effect, contracts which prevent them from playing amateur hockey with the team of their choice, as there is an increasing number of cases coming before the courts for settlement of similar disputes, and as this situation is not consistent with the philosophy either of amateur sports or with the right of young people to participate in games in this country, I move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That the Minister of National Health and Welfare be instructed by this House to intervene in the CAHA and ensure that the CAHA will discontinue immediately the practice of signing children to contracts in amateur hockey which in any way restrict the right of the players to choose the team they will play with.

Mr. Speaker: Order, please. This motion is presented pursuant to Standing Order 43 and cannot be debated without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PRIVILEGE

MR. MALONE—RIGHT OF ELECTED MEMBERS TO SPEAK FOR THEIR REGIONS

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise on a question of privilege which relates to the fact that after the July 8 election in which the province of Alberta returned only Progressive Conservative members, the Prime Minister (Mr. Trudeau) took it upon himself to appoint a Senator from the other place to be a spokesman for the province of Alberta. I contend that the right to be represented in this House is one which flows directly from one's voting privileges. It is the people who have the right

to say which elected members shall represent them and be their spokesmen.

Some hon. Members: Hear, hear!

Mr. Malone: I am concerned because in recent weeks the member of the other place has made statements which are diametrically opposed to my own. The situation is extremely serious as the member of the other place, who claims he is speaking on behalf of the people of Alberta, says that the province and its politicians are separatist in nature.

Some hon. Members: Shame.

Mr. Malone: Mr. Speaker, the minds of the people of this country must not be marinated in the kind of poison which, under the guise of patriotism, pits region against region. Certainly, my effort, as a member of this House, is directed towards working for a cohesive and united Canada. I am not here as a Progressive Conservative member, but rather as a member of parliament and I have a duty to all people in my constituency.

I want to make it clear that I do not contend the Prime Minister should not gather information from anyone, but rather that he does not have the privilege of appointing someone as being official spokesman. It is the official nature of that position to which I obeyed, because certainly there are other Senators and other people. I think my privilege is being usurped by the fact he has appointed someone who is able to gain public attention to raise issues, but who does not have a mandate from the people of that province.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member gave the Chair notice of the question of privilege. Hon. members will note that the question of privilege does not seek action by the Chair. In all fairness, the alleged question of privilege suffers from other disabilities than that. However, no action is called for by the Chair and that would finalize the matter.

* * *

CANADIAN BILL OF RIGHTS

AMENDMENT TO MAKE CONTRACTS CONTAINING DISCRIMINATORY PROVISIONS UNENFORCEABLE

Mr. Bob Kaplan (York Centre) moved for leave to introduce Bill C-382, to amend the Canadian Bill of Rights.

Some hon. Members: Explain.

Mr. Kaplan: Mr. Speaker, one needs a good reason to propose an amendment to a bill of such integrity as the Canadian Bill of Rights. However, that bill is directed only to acts of discrimination which have their origin within the Canadian community. Since it was enacted, serious threats to human rights and equality within Canada have come from direct meddling by the national policies of some foreign governments and their agents deliberately designed to encourage discrimination in Canada. This amendment is designed to protect Canada from this disgraceful international development.

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

ORAL QUESTION PERIOD

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REMOVAL OF DOCUMENTS FROM HAMILTON OFFICE OF MINISTER OF LABOUR—SUBJECT MATTER OF INVESTIGATION AT THAT TIME

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Solicitor General. In putting this question, I want to make it perfectly clear that I am not implying any wrongdoing on the part of anyone. However, it is important that there be full disclosure of any political links, and the nature of those links, where waterfront activities have led to widespread charges being laid. Will the Solicitor General advise the House of the subject matter of the investigation being pursued by the RCMP when they visited the office of the Minister of Labour in May, 1974, went through his files and took away certain material from his office.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I answered this on a previous occasion in the House. I understand they took out that search warrant in the case concerning Mr. Elliot and four other individuals. I listed their names in the House at that time. I think the question had been asked by the hon. member for Calgary North. The search warrant was issued as a result of investigations into the affairs of private individuals who were charged in Hamilton in May, 1974.

● (1420)

NATURE AND USE OF DOCUMENTS REMOVED FROM HAMILTON OFFICE OF MINISTER OF LABOUR

Hon. Robert L. Stanfield (Leader of the Opposition): I assume that, in view of the importance of the matter the Solicitor General, although he might not have examined the material himself, is familiar with the material taken from the office of the Minister of Labour. Can he tell the House whether this material is either relevant to continuing investigations or whether it is intended to be used in evidence in a case or cases where charges have already been laid?

Hon. Warren Allmand (Solicitor General): I cannot answer that question. As I have told the House before, it is not in order to discuss the details of an investigation which is under way, nor is it for me to discuss the evidence which will be put before the court in trials which are to take place. The prosecution in these cases is under the authority of the Attorney General of Ontario and the two prosecutors are under his authority.

POSSIBLE POLITICAL LINKS IN INVESTIGATION INTO DREDGING CONTRACTS—REQUEST FOR INDEPENDENT INQUIRY

Hon. Robert L. Stanfield (Leader of the Opposition): In view of the nature of the charges laid and the office which the hon. gentleman holds, would the Solicitor General not agree that his response is extremely unsatisfactory; it must lead to suspicions—suspicions which arise from the evidence and the fact that the Solicitor General has not regarded it as important enough to satisfy himself as to the nature of the material. I do not think this is fair to the Minister of Labour or to anybody else. I ask the Acting Prime Minister whether, in view of the unsatisfactory nature of the response of the Solicitor General and the suspicions which exist in the public mind, he is not prepared to commit the government to an independent judicial inquiry to examine possible political connections with waterfront activities which have led to these charges of wrongdoing?

Hon. Mitchell Sharp (Acting Prime Minister): I can only repeat what I said yesterday: the answer is in the negative. If the Leader of the Opposition has some evidence of this kind to lay before the House there might be some reason for action. I have listened to my colleague, the Solicitor General, who gave an answer which I am sure must have been agreeable to the Leader of the Opposition, that it would not be in the interests of justice to reveal, as he requested, information which might prejudice the trial of people whose innocence must be presumed until they are found guilty.

Mr. Allmand: On a question of privilege, Mr. Speaker. The Leader of the Opposition has made certain disparaging remarks about me and my answers. The answers I have given to the House with respect to the investigation are answers of a kind which have consistently been given by law officers of the Crown, whether provincial or federal, throughout time. I have checked this out. It is contrary to sound practice for a law officer of the Crown to reveal details of an investigation while it is still under way.

Some hon. Members: Hear, hear!

Mr. Stanfield: Will either the Acting Prime Minister or the Solicitor General explain to me how it would prejudice anybody who is subject to any charge, or likely to be subject to any charge, for the Solicitor General to indicate to the House that the material taken from the office of the Minister of Labour is not being used in connection with any further investigation, or not being used in connection with any trial which is taking place—or, on the other hand, if it is? Would anybody explain to me how this information could possibly prejudice anybody's trial?

Mr. Allmand: Mr. Speaker, there were no doubt several documents taken from the Minister of Labour's office. Some were used as leads in following up other evidence. This is an operational matter, not one that I, as Solicitor General, would check into. The police are free to pursue their own investigations. I am not involved with the prosecutions and I do not know what evidence will or will not be used.

INVESTIGATION INTO DREDGING CONTRACTS—SUGGESTED REFERENCE TO COMMITTEE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Acting Prime Minister and government House leader. In view of the fact that the government refuses our request, which we initially made in the House two weeks ago, for a full scale public inquiry to put to rest some of the intriguing political ramifications of this whole affair, is the government House leader now prepared to bring in an appropriate reference of this matter either to a special committee or to a standing committee of the House which would enable members of the House to direct questions to ministers who held particular responsibility at the time of the commencement of the investigation and to whom, under the rules and practices of the House, we cannot now direct questions?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have seen no reason to make such a reference. Nothing that has been said from the opposition side has convinced me that there would be anything to refer to a committee. There are now under way prosecutions of a number of businessmen who may have engaged in bid-rigging and in fraud. They are being prosecuted. I want that process to continue and I hope my hon. friend does, too. I have seen no evidence of there being any other activities which would justify a reference of this kind to committee.

Mr. McGrath: A final supplementary question, Mr. Speaker. Is the government House leader, then, prepared, as a means of making a reference, to refer, for example, the reports of the Auditor General for 1963, 1966, 1967, 1970 and 1973, wherein he singles out government dredging contracts, the suggestion being, of course, that there were no proper departmental audits? This would form an appropriate reference to the public accounts committee, where we would then be in a position to call witnesses.

Mr. Sharp: Mr. Speaker, I understand that they have already been referred.

INVESTIGATION INTO DREDGING CONTRACTS—GOVERNMENT VIEW OF NECESSITY FOR PUBLIC INQUIRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Acting Prime Minister. Both in the House yesterday and again today in reply to questions regarding the need for a public inquiry into a situation that is causing considerable concern throughout the country, the minister suggested that in terms of the criminal law correct procedures are already being taken. I and my party fully agree with what the Solicitor General has said in that regard. I want to put to the minister another question. The Inquiries Act deals, not with criminal proceedings, but has broader terms of reference. Since one of the purposes of the Inquiries Act is to enable an inquiry to be made, and I quote, "into anything connected with the good government of Canada", and since under the act the government has, if "it deems it expedient", authority to initiate such an inquiry, then considering this broader scope—

Some hon. Members: Question.

Mr. Speaker: Order, please. I listened to the hon. member's preamble and then his first phrase in which he said he would like to ask the minister a question, but he then went on to another sentence and cited the act. Surely, it is time the hon. member put his question.

Mr. Broadbent: I appreciate that, Mr. Speaker. In view of the important charges that have been levelled against 14 senior businessmen who have important political connections with the government party, does the minister not deem it in the public interest to clear up the implied possibility of political wrongdoing, which is of concern of many people throughout the country, by holding such an inquiry, or does the minister deem it not necessary to have an inquiry within this kind of framework?

● (1430)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, when I was asked this question yesterday I said this, and I will read it as it appears at page 4030 of *Hansard:*

I believe that if justice is to be done it should be permitted to take its course, and I think the intervention of any other proceeding such as has been suggested would compromise the outcome.

I was referring to the suggestion yesterday by the hon. member for Oshawa-Whitby. I have reviewed that answer and I stand by it. I can see no way in which there would not be some presumption of guilt, or some other presumption that would compromise the course of justice. Therefore, I am very strongly against the suggestion made by the hon. member, and so is the government.

Mr. Broadbent: Mr. Speaker, in view of the minister's answer I would like to be clear on this. Is he telling the House that in so far as this public matter is concerned, what is now regarded as a public scandal, it has to be dealt with exclusively within the appropriately narrow confines of the criminal law of Canada? Is that the Minister's and the government's position?

Mr. Sharp: Mr. Speaker, that is the government's position at this time.

An hon. Member: Until the boss gets back.

Some hon. Members: Oh, oh!

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[*Translation*]

NATIONAL SECURITY

CANADIAN PARTICIPATION IN INTERPOL—SUGGESTED INVESTIGATION OF VIOLATION OF ARTICLE 3 OF CHARTER

Mr. Eudore Allard (Rimouski): Mr. Speaker, I have a question for the Solicitor General.

As Interpol filed over 2000 pieces of information in 1973, and as the Soviet countries, which are members of Interpol, have access to that information, would the Solicitor General order an inquiry into the Canadian participation in Interpol, and another inquiry into the violation of article 3 of the Interpol Charter which forbids intervention of its organization in military, political, religious or racial situations, especially since under Heydrich, between 1939 and 1946, Interpol participated in planning the annihilation of six million Jews, and also since Paul Dick, president of Interpol until 1972, was a former SS lieutenant bearing No. 337259?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I am not aware of that story—

Mr. La Salle: He is not either!

Mr. Allmand: . . . I shall have to check with the RCMP.

* * *

[*English*]

NATIONAL DEFENCE

DDH280 CONTRACT WITH MARINE INDUSTRIES LIMITED—POSSIBLE INVESTIGATION REGARDING OVER-RUNS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to ask the Minister of National Defence whether he, his predecessor or any official of his department have ever had cause to communicate with the Department of Supply and Services in connection with the DDH280 contract with Marine Industries Limited of Quebec, providing that department with any information which would make it desirable or necessary to instigate further investigative action by the Department of Supply and Services in respect of contractual arrangements between that department and that company regarding over-runs?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION INTO DREDGING CONTRACTS—GOVERNMENT VIEW OF NEED FOR PUBLIC INQUIRY

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, in view of the answer by the Acting Prime Minister to a question directed by my leader, to the effect that nothing he has seen or heard yet has convinced him of the need for any special reference, does he not think that the very fact that some of the documents from the office of the Minister of Labour are being used in proceedings, as well as the time gap between when this whole matter was brought to the attention of certain officials of the government, that is during the summer and in September of 1972, and when the Minister of Transport instructed the RCMP in February of 1973, would warrant a public inquiry in order that certain conditions might be clarified?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. I think my colleague, the Solicitor General, has made very honest and direct statements in answer to the questions that have been asked here. It is my understanding that he is always prepared to answer more questions in the same spirit. I also understand that he and the commissioner of the RCMP are to appear tonight before a standing committee at which time there will be an opportunity to clarify the record.

Mr. Nowlan: Mr. Speaker, I do not want to get into an argument about the totality of the answers of the Solicitor General. We look forward to his appearance tonight. However, I should like to ask a question of the Acting Prime Minister which I tried to bootleg in yesterday on a point of order.

Some hon. Members: Oh, oh!

Mr. Nowlan: I tried to refer to what to me is the fundamental issue involved in questions by members of the opposition, by bootlegging it in under a point of order. I now have the floor, so I will put the question directly to the Acting Prime Minister. Does he not think there is a distinction between the narrow element of criminality, which is obviously being considered in the law courts of the land, and other conduct, whether it is political misconduct, administrative incompetence or administrative indifference, and that the difference would warrant such a public inquiry?

Mr. Speaker: Order, please. With all due respect, the hon. member has asked a question which is of a very general nature and which was asked about 15 minutes ago.

Mr. Marchand (Langelier): Mr. Speaker, I rise on a point of order. I think this was just a mistake but I do not want it to appear in *Hansard* without correction. I never gave an order to the RCMP to make an inquiry.

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TRANSPORT

RAILWAY BRANCH LINE ABANDONMENT—ALLEGED DELIBERATE PROVISION OF POOR SERVICE ON SOME LINES—REQUEST FOR INVESTIGATION

Mr. Arnold Malone (Battle River): Mr. Speaker, I should like to ask the minister in charge of the Canadian Wheat Board whether there is any deliberate attempt to provide substandard service on those rail lines that are due for review by January 1, 1976?

Hon. Otto E. Lang (Minister of Justice): Not to my knowledge, Mr. Speaker. Of course, some of those lines are in need of significant upgrading, and for that reason we attach some urgency to the process of determining which of them will be transferred into the basic rail network in order that upgrading can take place. In the absence of that upgrading, certain limitations occur in service.

Mr. Malone: Mr. Speaker, I would ask the same minister whether there might be an investigation into this since a number of these rail lines due for review by January 1, 1976, are providing almost no service, which gives the appearance to those communities of an attempt by government to withhold services in order to justify the removal of those rail lines?

Mr. Lang: Mr. Speaker, it has been our custom to investigate any specific item brought to our attention by hon. members. If the hon. member would bring the specific items to my attention we will look into them.

LABOUR CONDITIONS

SUGGESTED NEED FOR FULL TIME MINISTER OF LABOUR IN VIEW OF STRIKE SITUATION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, would the Acting Prime Minister advise the House when the government intends to rectify the present situation which is; in the face of strikes which are crippling this country there is in effect no Minister of Labour in charge of the department, and no one who is fulfilling on a full-time basis the heavy responsibilities of that office?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the acting minister, the Minister of Consumer and Corporate Affairs, met with me this morning at which time we were talking about all these disputes throughout the country. He is very much on the job, and the fact that he is not here in the House now is evidence that he is on more important work.

Mr. Fraser: Without accepting for a moment the explanation of the Acting Prime Minister, would he advise how much longer the government believes it is proper to be without a Minister of Labour who can fulfil the responsibilities of that office? I am sorry the Minister of Labour is tired, but the Canadian people are sick and tired of this appalling abdication of responsibility on the part of the government.

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THE CANADIAN ECONOMY

SUGGESTED COMMITTEE STUDY OF RECOMMENDATIONS OF ECONOMIC COUNCIL OF CANADA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Acting Prime Minister. Mr. André Raynauld, Chairman of the Economic Council of Canada, recently called for a public debate on the council's role, commenting that many of the council's reports do not get read. When Mr. Deutsch was chairman, way back in 1966 and 1967, the council addressed itself to the problem of inflation, and recommended that its studies and recommendations should be referred annually to a joint committee of the House and the Senate which would look at the council's recommendations and hold hearings on them. In light of the rising inflation we have in Canada at the present time, along with our rising unemployment problem and the need for establishing some outside organization to assist the government in establishing appropriate policy, I would like to ask this question.

● (1440)

My question to the Acting Prime Minister is will he give the recommendation of the Chairman of the Economic Council of Canada some consideration by setting up a joint subcommittee of the committee composed of the House and Senate which might be helpful to the government in solving some of its present economic problems.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would not want to turn down a useful suggestion of this kind without consideration. However, I think

it would be equally possible or appropriate in standing committees of the House for reference to be made to the Economic Council reports that provide a valuable comment upon a number of matters of proposed policy. I would think that would contribute usefully to the debate. I think it is more dubious whether we should establish sort of a congressional committee in which economic policies would be discussed having as a text the views of an outside body such as the Economic Council. I think it is more profitable in our system of government to deal with the proposals of the Minister of Finance.

* * *

TRANSPORT

INVESTIGATION INTO DREDGING CONTRACTS—REQUEST FOR TABLING OF LETTERS REQUESTING INVESTIGATION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to ask a question of the Minister of Transport. On March 4 the minister stated he would not table letters in respect of his order of inquiry into the Hamilton dredging irregularities, and subsequently in respect of the Quebec dredging, because it would be unjust to mention the people named in them. In view of the fact that serious charges have now been laid against 12 officials who have attempted to defraud two governments and the Hamilton Harbour Commission, would the minister today or tomorrow table his letters now that we have the names of those persons criminally involved?

Hon. Jean Marchand (Minister of Transport): I think the hon. gentleman is right. I will have to check.

An hon. Member: We are always right.

Mr. Marchand (Langelier): Yes, always! I will check with justice about the letters which have been sent.

Mr. Stanfield: Don't do that.

Mr. Marchand (Langelier): No? The Leader of the Opposition does not want me to do that.

Mr. Stanfield: On a point of order, Mr. Speaker—

Mr. Speaker: The Minister of Consumer and Corporate Affairs.

[*Translation*]

Mr. Ouellet: On a question of privilege, Mr. Speaker.

Just arriving in the House, I am told that opposition members are complaining about my absence. I want to remind them that if I was delayed it is precisely because I was discussing a matter dealing with the British Columbia ports. I am totally in disagreement with the innuendo that nobody is looking after labour relations.

[*English*]

Mr. Speaker: The hon. member for Vancouver South on a point of order.

Mr. Fraser: Mr. Speaker, I should like to say on a point of order that the minister is misinformed. The complaint is not that he is out of the House. The complaint is that he is trying to run two portfolios at a time when the other portfolio for which he is substituting for a minister needs a full-time minister.

Mr. Stanfield: Mr. Speaker, apropos to the comments of my genial friend, the Minister of Transport, it is not that I do not want him to table the letters; I do. The point is that I do not want him to consult the Minister of Justice who will probably tell him not to do it.

* * *

HAZARDOUS PRODUCTS

PROPOSED BAN ON IMPORT OF BLUE FIBRE ASBESTOS—GOVERNMENT POSITION

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the fact that this week the province of Saskatchewan banned the use of blue fibre asbestos in places of employment, and in view of the fact that blue fibre asbestos on inhalation may cause an always fatal cancer known as mesothelioma even in those exposed for short periods of time and is a product used in the Johns-Manville plant in Scarborough, will the Minister of Consumer and Corporate Affairs agree to use the Hazardous Products Act to ban the import of this product into Canada.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I want to congratulate the hon. member for dealing so quickly with such an important matter. My department officials are now discussing with the Department of Justice to find the best way to draft regulations which could efficiently and effectively cover this matter.

* * *

[*English*]

TRANSPORT

INVESTIGATION INTO DREDGING CONTRACTS—POSSIBLE SUSPENSION OF PAYMENTS TO CERTAIN BRITISH COLUMBIA COMPANIES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Transport. With regard to the dredging contracts that were let in British Columbia to Marwell Dredging, Canadian Dredging and Sceptre Dredging, and in view of the fact that payments had been discontinued under a legal opinion to those in Quebec, Marine Industries Limited, would the minister advise the House if payments are now suspended to the British Columbia companies that have been charged under the Criminal Code?

Hon. Jean Marchand (Minister of Transport): I will have to inquire about this and I may give an answer tomorrow.

ROYAL CANADIAN MOUNTED POLICE

POSSIBLE INVESTIGATION OF COMPANIES CONNECTED WITH DREDGING COMPANIES BEING INVESTIGATED

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my supplementary question is to the Solicitor General. With regard to the matter of the continuing investigation that the minister referred to yesterday in the House, would the minister advise whether the connections of those who have been charged in terms of other directorships and those companies which may have contracts with the federal government are also being investigated as well as dredging contracts?

Hon. Warren Allmand (Solicitor General): I would have to check on that, Mr. Speaker.

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AIRPORTS

SAINT JOHN—LENGTH OF TIME CLOSED AND REASON FOR TERMINATION OF EMPLOYMENT OF FIREFIGHTERS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, once this consultation between ministers is finished I have a question for the Minister of Transport.

Some hon. Members: Oh, oh!

Mr. Fairweather: It is all right. The Minister of Justice is saying not to table a letter which will probably be leaked anyway. I gave the minister notice of this question in view of its serious nature. How long has the airport at Saint John, New Brunswick, been closed and have Department of Transport firefighters had their employment terminated as part of what one of the Minister's officials to me was a management game played in the strike situation.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the Saint John airport has been opened and closed alternately until March 13. Now it has been decided to stop paying.

[*English*]

I think we ceased paying the firefighters yesterday or a couple of days ago. This comes under the Treasury Board and is a policy which is being applied everywhere in Canada.

SAINT JOHN—RESPONSIBILITY FOR PROTECTION OF PROPERTY—TERMINATION OF EMPLOYMENT OF FIREFIGHTERS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I should like to direct my supplementary to the President of the Treasury Board. Who is protecting the Department of Transport property and the Air Canada DC-9 which has been strike-bound on the runway for a week at Saint John? What is the distance of the alternate firefighting equipment from the airport and are there any other firefighters who have had their employment terminated as a part of the game that is being played.

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I am not yet in a position to give a specific answer to the question of the hon. member. I shall give him an answer when I have the information.

* * *

[*English*]

GRAIN

POSSIBILITY OF LOST SALES AS RESULT OF STRIKE AT VANCOUVER

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the minister in charge of the Canadian Wheat Board. Is the minister aware that the Japanese have been forced to purchase emergency wheat supplies from the United States because of Canada's failure to meet its commitments out of the strike-bound port of Vancouver as reported by Victor Mackie of the Ottawa *Journal*, and can he advise whether or not any contracts have been cancelled or sales lost to Japan or any other country as a result of the current strike.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, obviously the particular purchase of wheat by Japan cannot be directly and easily attributed to any specific situation, but I certainly would not deny the possibility of what the hon. member has said.

ESTIMATE OF LENGTH OF TIME TO CATCH UP ON DELIVERIES FOLLOWING SETTLEMENT OF STRIKE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to ask the minister in charge of the Canadian Wheat Board whether any evaluation is being made presently concerning the time it would take now to catch up in respect of the contracts to which we are already committed in view of the fact that we were behind prior to the beginning of the strike.

● (1450)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Canadian Wheat Board watches the situation on a day to day basis to determine how quickly they will be able to be in a catch-up position.

Mr. Korchinski: Mr. Speaker, the minister did not respond to my question. I wonder if he could inform the country how far we are behind and whether we can expect the Wheat Board to take any contracts after the strike, or whether we should forget about seeding grain this year.

Mr. Lang: I object to the suggestion that I did not give an adequate reply. I indicated that the matter is being reviewed on a day to day basis, which is an obvious thing, and it should be obvious to the hon. member. The fact of the matter is that there can be no precise calculation as to how long it will take to catch up. All we can do is indicate that we will be doing everything humanly possible to catch up as quickly as possible, and we usually do that faster than anyone would predict.

Mr. Korchinski: Is there any use growing grain this year at all?

Mr. Lang: Yes, Mr. Speaker.

Mr. Nystrom: How much?

POSSIBILITY OF MAKING SHIPMENTS THROUGH UNITED STATES IN VIEW OF STRIKE AT VANCOUVER

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my supplementary is for the minister in charge of the Wheat Board. In view of the severe hardship to western farmers in the agricultural community, I would like to ask him whether his department has investigated making these shipments by way of the United States until such time as the problems in Canada are settled, and if not, why not?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we have frequently considered many contingency plans. It happens, however, that the ordinary system of shipping Canadian wheat out of the west coast is to move it in an uncleaned condition to the terminals and clean it there. The typical terminals which might be available in the United States do not have cleaning capacity, and therefore it is not a practical suggestion.

* * *

MANPOWER

FARM LABOUR—AVAILABILITY OF OFFSHORE WORKERS IN VIEW OF GOVERNMENT POLICY GIVING PRIORITY TO CANADIANS

Mr. J. Larry Condon (Middlesex-London-Lambton): Mr. Speaker, I would like to direct my question to the Minister of Manpower and Immigration. Is the minister aware of the dilemma farmers are facing because of the government policy of hiring Canadian workers before offshore workers and Mexican help? If so, can he give hon. members of this House some direction in how manpower centres can make these offshore workers available to farmers since Canadians will not work in these areas?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, with respect, I think the premise is not totally correct. We are certainly directing our attention to the priority of searching for Canadians available for work in Canada before we enlist the services of people from other countries. This program should be very well known to farmers in southern Ontario because of the many releases which have been made and the many consultations we have had. We can assure them that there will be labour, but we are determined to search and find Canadians first as the first priority before we resort to bringing in offshore workers.

[Mr. Lang.]

SPORTS

HOCKEY—SUGGESTION AMATEUR ASSOCIATIONS NOT SIGN CHILDREN TO CONTRACTS—GOVERNMENT ACTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the fact that the minister was approached last year with respect to the case of 16 year old Michael Laffrade of Toronto who was prevented from playing hockey because he had signed a contract with an amateur team, and in view of the fact that the minister had expressed outrage and incredulity at the effects of that contract, and in view of the fact that the minister on the program "Ombudsman" had promised to speak to the CAHA about this situation, would he inform the House if he has contacted the CAHA and instructed it and its affiliated bodies to cease and desist from forcing children to sign contracts or forms which restrict their opportunities for playing hockey?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I let the program "Ombudsman" know that I should be pleased to give them all appropriate information on this subject. I already appeared on this program last year and I find rather astonishing the kind of remark that was made recently on it. I already got in touch with the Canadian Amateur Hockey Association but unfortunately, and contrarily to what the hon. member is suggesting in his question, I am not in a position to give orders to a private organization such as the Canadian Amateur Hockey Association.

[*English*]

Mr. Rodriguez: In view of the fact that many more cases similar to that of Michael Laffrade have surfaced this winter, will the minister inform the House as to what steps he is prepared to take to ensure that children do not become embroiled in legal disputes in the pursuit of voluntarily playing amateur sports in this country?

[*Translation*]

Mr. Lalonde: Mr. Speaker, all I can recommend to the hon. member is that he read the British North America Act where he will find that the responsibilities of the provincial and federal governments in this area are clearly defined.

[*English*]

Mr. Speaker: A final supplementary and then I will see the hon. member for Annapolis Valley on a question of privilege.

* * *

COMPETITION ACT

SUGGESTED INCLUSION OF PROVISION TO ENSURE CHILDREN NOT RESTRICTED IN PARTICIPATING IN AMATEUR SPORTS

Mr. John Rodriguez (Nickel Belt): Thank you, Mr. Speaker. My final supplementary is directed to the Minister of Consumer and Corporate Affairs. In view of the reluctance of the Minister of National Health and Welfare to deal with this situation in a satisfactory fashion, will

the Minister of Consumer and Corporate Affairs tell the House if he is prepared to give an assurance that Bill C-2, amending the Competition Act, will make provision to ensure that children who wish to participate in amateur sports in this country are not restricted?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, for a rather long time now, I have been asking that this bill be concurred in. I am happy to see that the hon. member is willing to support me, so that this bill might be brought back to Parliament as soon as possible and adopted.

[*English*]

Mr. Nowlan: Mr. Speaker, my question of privilege arises from an earlier exchange between myself and the Minister of Transport on his question of privilege when he said that he did not give orders to the RCMP to do anything in the matter of the Hamilton harbour inquiry. On February 27, as recorded at page 3622 of *Hansard,* the minister stated:

> Oh, yes, there are answers. First, I must inform the House in connection with this matter . . .

Referring to the Hamilton matter.

> . . . I probably should have done this before, but I did not have the complete file before me—that I am the one who, in January 1973, two years ago, ordered the RCMP to inquire into alleged Hamilton irregularities.

Some hon. Members: Oh, oh!

Mr. Nowlan: On March 4, 1975, as recorded at page 3754 of *Hansard,* on the question of who did what to whom and when, the minister, when asked about the letters which he said he would gladly table, said:

> The letter I have here is written to the Commissioner, RCMP, Ottawa, Ontario . . .

And he gives the postal code.

There is real confusion as to what the dates of the letters were, and at one time the minister said that a publication of the letters would prejudice innocent people. I suggest that to clarify once and for all who did what to whom, the minister should table the letters, deleting the names of those who have not yet been charged. This would at least clarify this one fact in the murky picture.

An hon. Member: Better stick to driving.

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, during the debate on the letters and the intervention of the federal government and the Department of Transport, there was a misunderstanding which I clarified with the hon. member for Northumberland-Durham.

[*English*]

Mr. Lawrence: You confused it; you didn't clarify it.

Mr. Marchand (Langelier): The hon. member may infer what he wishes, but the fact is that he wrote me a letter and wanted me to tell him exactly what letters I sent to whom. This has been done because he sent me a letter, and probably five minutes later he gave the letter to the newspapermen, and I did about the same. I took ten minutes, not five.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): The simple confusion is that there was a letter in the file prepared in the department, but that was never sent, and I did not know at that time when I gave the date in the House. After that I wrote an answer because the hon. member for Northumberland-Durham wrote to me and asked what the letters were. I answered him publicly, and all this is in the public record. I said after that that if the whole answer is read it can be seen that I wrote to the Solicitor General of Canada, not to the RCMP, in order to ask for an inquiry.

Mr. Lawrence: You don't know what you did when.

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POST OFFICE

GOVERNMENT ACTION TO SETTLE DISPUTES WITH EMPLOYEES

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. In view of the considerable experience of the Postmaster General in dealing with labour relations which, as he has stated, was the key consideration in his appointment as Postmaster General, and in view of the rapid deterioration of the Canadian postal service as it continues to be torn by illegal strikes and now a postal code boycott, will the minister advise the House and the people of Canada what action he is taking to settle the current disputes and how soon he expects that they will be settled? Can the minister say how he will attempt to guarantee that these disputes, so costly to the country, will be halted in future?

● (1500)

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, there is one illegal strike at the moment and that is in Montreal. What little experience I have had in the field of labour has convinced me that the worst possible way of settling an illegal dispute is to be blackmailed and I do not intend to do that. The strike in Montreal is illegal and I have ordered the suspension of certain militants in the organization. I have appealed to the people of Montreal to bear with me and, if necessary, keep that Post Office closed for months in order, once and for all, to clean out of the Post Office those who prefer to draw money and not do an honest day's work.

Some hon. Members: Hear, hear!

* * *

INDUSTRY

COLLAPSE OF MICROSYSTEMS INTERNATIONAL—REQUEST FOR INVESTIGATION OF REASON AND ASSURANCE NORTHERN ELECTRIC NOT ALLOWED TO APPLY LOSSES INCURRED AGAINST PROFITS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce with respect to the collapse of Microsystems International which will throw 500 families

into some financial jeopardy and will mean the loss of some $37 million to Canadian taxpayers. Would the minister agree that a full and independent public inquiry should be held to investigate the reasons for this collapse particularly in view of the tremendous infusion of public funds? Could the minister also assure the House that Northern Electric will not be allowed to apply the losses incurred by Microsystems against their profits until the completion of such an independent inquiry and the presentation of its report to parliament? Finally, in view of the importance of this industry to Canada and our present necessity of relying completely on the United States for semi-conductors, would the minister inform the House whether there are any plans to initiate a new industry in this country and if so, what they are?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there is more than one question there and I shall do my best to answer as quickly as I can. The department supported the Microsystems project because according to the best advice then available, the company seemed to have a technically advanced product in process. Considerable sums of money were advanced in support of this product over a period of years and there was every evidence that it was technically up to standard internationally. Unfortunately, during the last couple of years there has been a major shift in international markets for that product, the result of which the hon. member is now aware. I do not think an inquiry would serve any useful purpose. This is an example of market forces combining against this project.

As members will realize, when you get into advanced technology you are getting into a risk business, and there are going to be failures. We have had successes and very few failures to date. As to losses on that particular enterprise and whether those losses may be used to offset profits earned by the parent company, I think this question should be directed to the Minister of National Revenue.

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VETERANS AFFAIRS

REQUEST FOR EXTENSION OF VETERANS LAND ACT—GOVERNMENT POSITION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Veterans Affairs. I received an answer on the order paper yesterday which indicated that, as a result of the extension of the Veterans Land Act, 7,648 applications were approved between January 1974 and January 1975. This is evidence which contradicts what the minister said last year, that the Veterans Land Act had outlived its usefulness. Apart from the new veterans housing legislation, and because the decision on the extension of the Veterans Land Act was justified, would the minister consider continuing it as it is so popular?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, this is a matter of government policy and there is no indication of it at this time.

[Mr. Baker (Grenville-Carleton).]

Mr. Marshall: A supplementary question. Contrary to the statement made last year that operational expenditures would be increased by $50 million, the annual report indicates that the operating expenditure was reduced by $741,000 and that $53.6 million was collected on capital account besides $26.3 million in interest, so would the minister take these figures into consideration and have discussions with his colleagues before March 31, 1975 with a view to extending the Veterans Land Act?

Mr. MacDonald (Cardigan): Mr. Speaker, I am prepared to look at the figures and give them some consideration.

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PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—PROPOSED NEGOTIATION OF ARRANGEMENT TO PERMIT FOOD SHIPMENTS TO NEEDY COUNTRIES

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Acting Prime Minister. Has he or any member of the cabinet met with, or would they consider meeting with, representatives of the Public Service Alliance to attempt to negotiate, strictly on a moral basis, at least some temporary arrangement so that food shipments destined to certain foreign countries in desperate need of food can proceed unimpeded?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, my colleague, the President of the Treasury Board is now engaged in negotiations and I think there are improved prospects for success. I understood the motivation of the hon. member's suggestion but I do not think it would be advisable to put it forward at the present time.

* * *

[*Translation*]

TRANSPORT

FERRY SERVICE—POSSIBLE TRANSFER OF HARBOUR FACILITIES TO PROVINCE OF QUEBEC

Mr. Charles Lapointe (Charlevoix): Mr. Speaker, I want to put a question to the Minister of Transport.

Could he tell the House whether officials of his department have had formal meetings recently with officials of the provincial transport department to discuss the whole question of the transfer of ferry wharfs to the province and, if so, has a schedule been established so that these wharfs may be repaired and transferred to the province as soon as possible?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I know there have been meetings and contacts. I shall be able to give details on the dates of the meetings and the results of the talks tomorrow morning.

[*English*]

Mr. Speaker: The hon. member for Nickel Belt (Mr. Rodriguez) on a question of privilege.

Mr. Rodriguez: Mr. Speaker, my question of privilege deals with the answer which the Minister of Consumer

and Corporate Affairs (Mr. Ouellet) gave to my supplementary question this afternoon, which may have been misleading. I know it was not intentional, but I think we should not leave it on the record. The minister does indeed have a competition bill before a committee of this House, but he has also introduced an amendment to eliminate the amateur sports provision of that competition bill. I do not see why we should help put that bill through the committee when it discriminates against young children in this country.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I would like to remind the hon. member that the parliamentary committee—

An hon. Member: Here he comes—

Mr. Ouellet: The hon. member for Rocky Mountain could calm down a little. I understand he is under severe stress; the run for the Progressive Conservative party leadership has not yet begun, as far as I know. The hon. member should be reminded that the suggestions made to the parliamentary committee have not yet been approved as amendments to the bill. When the bill is discussed clause by clause, it will be possible to reassess whether it is convenient to exclude amateur sports or not, and I am convinced that the hon. member will have ample chance to put forward his point of view.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I should like to ask the government House leader what the business is for the rest of this week and next week. While he is telling us, I should be glad if he would deal with the question which I have raised with other House leaders, namely, whether certain of the supply days set down as allotted days might be taken over to the next session, having in mind that the committee on procedure has made some changes with regard to supply procedure. That procedure will not come into effect until later and may not affect the supply days just mentioned. I ask the government House leader to deal with this matter quickly, as tomorrow is to be an opposition day and we must know by five o'clock what is to happen: by five o'clock we must set down tomorrow's motion.

● (1510)

Mr. Sharp: Mr. Speaker, there are two bills being debated at second reading stage which we should like to see read the second time, hopefully without excessive debate. They are Bill C-50, the agricultural stabilization bill, which has been debated for three days at second reading stage—presumably the debate is more or less finished—and Bill C-8, in the name of the Minister of Energy, Mines and Resources, which deals with the establishment of a national petroleum company. These bills are urgent. In addition, there is a list of bills which are in various stages, some at third reading stage and others at the report stage, as listed last Monday. These, I hope can be disposed of at the same time.

I thank the House leader of the official opposition for his offer to make available to the government before the Easter break some of the debating time which is now set aside for allotted days. I gather that our colleague the NDP House leader is agreeable to some transfer forward. I must confess that if this time is simply to be used for an unnecessary extension of debate on measures which the opposition does not intend to dispose of within a reasonable period, I would be reluctant to accept the offer.

An hon. Member: Since when has debate been unnecessary?

Mr. Baldwin: Mr. Speaker, I do not know that House leaders ever engage in debate inside or outside the House. Nevertheless, let me tell the hon. gentleman that the record shows that this House has expedited the passage of a great many pieces of legislation in a short period. Bill C-50, which the hon. gentleman mentioned, is considered to be a most important bill. I notice that even government supporters participated every day in the debate. I think we can dispose of it in one more day. I will simply leave it at this: we are looking across the aisle at a sorry aggregate, politically speaking, of course—

Mr. Turner (Ottawa-Carleton): Just look at the empty seats on your side.

Mr. Baldwin: —of members masquerading as ministers of the cabinet and we see some inviting targets for an opposition day motion.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it is clear that no matter whether House leaders debate amongst themselves or just chat with one another, we shall have to do this bit of negotiating somewhere else and not here on the floor of the House.

An hon. Member: Why not here?

Mr. Knowles (Winnipeg North Centre): Why not? Don't encourage me too much.

Mr. Nystrom: Please don't.

Mr. Knowles (Winnipeg North Centre): If agreement can be reached to put one or two allotted days off to the next semester, we will be prepared to go along with it. As for Bill C-50 and Bill C-8 which the minister mentioned, I believe I can say that we have only a few more speakers to put up on Bill C-50, and perhaps none at all. Bill C-8 has only been before the House for half a day's debate. We would be prepared to see it read the second time after no more than another half day's debate. Perhaps we can negotiate these matters between now and five o'clock.

While I am on my feet, may I express the hope that the government House leader is holding discussions with the Minister of Veterans Affairs and that we will soon see the motion to refer the Hermann report to the Standing Committee on Veterans Affairs. I hope he will also discuss with the Minister of Veterans Affairs the possibility of making available time in which to make an announcement, to bring in legislation or do whatever he must do

before the end of this month with respect to replacing the Veterans Land Act.

Mr. Lambert (Edmonton West): The minister gave a solemn undertaking that he would do something.

Mr. Sharp: Mr. Speaker, I thank my associates for their hopeful comments. I am greatly encouraged by seeing so many empty seats opposite. I hope we will be able to make rapid progress. Perhaps I can say to the NDP House leader that I consulted the Minister of Veterans Affairs, who wrote that the reference—probably next week—would be suitable.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if I may raise a supplementary point, has the minister had discussions with the Minister of Veterans Affairs about the other matter to which I referred? We had the solemn commitment that there would be an announcement before March 31. If we break for Easter, we shall adjourn three or four days before that date.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REQUEST FOR NEW BUDGET TO IMPROVE CANADIAN ECONOMY

Mr. Edward Broadbent (Oshawa-Whitby) moved:

That this House urges the government to introduce, within two weeks, a new budget, for the purpose of dealing with the increasingly dangerous state of the Canadian economy, and specifically to cope with mounting unemployment, the housing needs of our people, and the scourge of poverty.

He said: Mr. Speaker, before I deal with the reasons for my party's recommendation for a new budget within two weeks which is to deal with unemployment, poverty and difficulties in housing, let me say something about this country's potential for industrial and social development which could be realized given the right kind of political and economic leadership. We are one of the world's richest nations in terms of natural endowments. Given the size of our mineral deposits, our gas, oil and lumber resources, our agriculture, and our potential for developing our sea resources off the east and west coast we are, by any standard, one of the best endowed countries in the world.

In addition, our labour force is able and determined to work and—perhaps this is more important—it is highly educated. Clearly, our abundant natural endowments and our highly educated labour force make us unique. Unlike the countries of western Europe, Japan or the United States—unlike other industrialized nations—we do not depend on imported raw materials for our development. Unlike the labour forces of third world countries and underveloped nations, our labour force is highly educated. We are, then, unique in our, then, advantages.

[Mr. Knowles (Winnipeg North Centre).]

Of course, I am speaking of our potential, which can only be mobilized with the right kind of political and economic leadership. But what about present economic reality? What is happening in March, 1975, shows that reality falls short of potential. Let me put on record four important items. First, we have high and increasing levels of inflation. According to the most recent figures, the cost of living in February, 1975, compared with that of February, 1974, increased by 11.8 per cent. There is every indication that that inflation rate, or one somewhere in that neighbourhood, will persist for the rest of the year. This is an extremely bad situation for millions of Canadians, particularly those on low incomes.

● (1520)

Secondly, we have high and increasing levels of unemployment. The most recent figures show that in the month of February, 1974, there were 635,000 unemployed in Canada. In February 1975, the total number of unemployed had increased to 839,000. In percentage terms, this is an increase from 6.8 per cent to 8.6 per cent of unemployed Canadians. There are 839,000 men, women and young adults out of work in Canada, the highest figure since the depression.

The third point I wish to make, in terms of adding to the general description of the current economic situation, pertains to our trade position. Measured in real dollars, Canadian exports have been at a virtual standstill since the last quarter of 1972. In fact, if the current trend for this year continues it is expected that by the end of 1975 the drop in our trade position will be the largest, in absolute terms, for any year since 1954: it will be the largest drop in 20 years. In contrast, Canadian imports have continued to rise. Indeed, the rate at which our imports are rising and our exports are declining has led experts to predict that we could be in for one of the worst years, in terms of trade, since the depression. These are not experts within the party structure of the House of Commons nor, indeed, within the government; they are people in the academic community and other sectors outside of government—the business community, for example.

The fourth point I wish to make is also in the context of our discussion on import and export trade. Ministers of the Crown, in particular, when talking about our problems of foreign trade should really refer to our imports and exports vis-à-vis the United States. We are not, in any meaningful sense of the term, a world trading nation: we are a trading nation with the United States of America. Sixty-seven per cent of our exports go to the United States. In dollar terms the vast majority of these exports are unprocessed, undeveloped raw materials. At the same time, 69 per cent of our imports are from the United States. Most of these, of course, are in the form of finished goods; They have built into them more jobs per dollar invested than occurs from investment in the raw materials sector of the economy.

These are four general economic points. We have high and increasing rates of inflation and high and increasing rates of unemployment. We have declining exports and increasing imports. The fourth point—our import and export trade—is, and has been for many years, almost exlusively a matter of trade with the United States and

not with other countries of the world. This government has been a complete failure in dealing with these issues. It has not done anything of consequence with regard to inflation. In spite of promises from 1972 on, no effective legislation has been brought before the House to deal with price gouging, profiteering, or whatever label you want to give it. On many occasions our party has called for the establishment of an effective prices review board, one with teeth to enforce some effective control and review the mechanism in respect of price gouging in the market. The government has not seen fit to bring forward anything of substance in this area.

The budget of last fall was an opportunity to deal with inflation in some way, at least in terms of its effects on average and low income people. However, it was one of the most regressive budgets in years. It was regressive even in terms of Liberal standards—which is pretty bad. At the top end of the income tax scale there were tax cuts of $700, going all the way down to a few dollars at the lower end of the scale which affects the poor people. Those not in a position to pay any income tax got nothing out of the budget.

A progressive budget, in terms of easing inflation, would have had something in it for both poor and average income people. Instead, it removed the subsidy that existed on an essential product, milk. It should have extended federal subsidies to essential products, particularly food, so that low income people could at least be assured of a nutritional diet in times of an inflating economy. Instead, the government moved in a clearly regressive way, removing the subsidy on milk which had been put on in a minority government situation.

The government did not do anything in its budget, nor has it done anything since, about revamping the pension structure in Canada either directly in terms of pensions under federal jurisdiction or indirectly by bringing forward legislation to provide any kind of incentive, financial or otherwise, to the private sector to revamp their pension plans so that people so badly hit by inflation, particularly those on fixed pensions, would be in a better position to eke out a reasonable existence.

Another area in which the government has not acted is with respect to its whole wage and salary policy vis-à-vis its own employees. In the view of our party, recent and current strikes in the public service are overwhelmingly the responsibility of the government. I say this because Treasury Board has not seen fit to make wage proposals to the blue collar workers in particular to enable them to make up for lost income as a result of increases in the cost of living. The government has failed to provide an adequate salary proposal to enable these workers to cope with increasing levels of inflation which are predicted for the years ahead. This is an area where the government could have acted directly in terms of its own employees. However, it has not done what it should in terms of easing the impact of inflation. It has not helped those whom it employs directly, nor has it indirectly set a moral precedent that might have had some kind or impact on the private sector.

● (1530)

We have continued, and in fact strengthened, our traditional role as an exporter of raw materials and an importer of finished goods. Current figures show there is a surplus in our trade of raw materials amounting to some $8 billion: this represents the value of the raw materials we are exporting in excess of those we import. As a result of this surplus we enjoy a slight over-all trade balance.

What does this mean? It means that aside from the impact on our trade and on the value of the Canadian dollar, we are, in effect, exporting countless jobs because, as I have explained, the jobs which arise in the resource sector do not compare, in terms of numbers, with the jobs that arise in the manufacturing and processing sectors per dollar of investment. Thus, the more we depend upon the export of our raw materials, the greater the loss of jobs we shall suffer in the years ahead. The situation is analogous to that of the farmer who decides to pay off his debts by selling a quarter section of his land each year. We all know it would not take long for the farmer to go out of business. If we continue, as a country, along the lines the Liberal Party has been following, we shall find ourselves in the position of that farmer before very long.

The most recent significant policy initiative announced by the government—I refer to the Syncrude project—reinforces this trend toward both the sale of our raw resources and the domination of foreign ownership. If I wanted to single out the most symptomatic project of this kind in the history of Canada, I would point to Syncrude as being the best, or perhaps the worst, example.

In short, in this aspect of the economy the Liberals remain what they have always been, particularly since C. D. Howe gained the great influence which he exerted over the party—a party ready and willing to sell out our resources to our neighbours to the south, instead of providing the economic leadership which would entail, as a minimum, a national plan designed to include an industrial strategy for developing our own resources instead of selling them off. Included in such a plan would be provision for federal government involvement in all major investment decisions affecting the economy. This is the kind of action which is required and it is the kind of action the government has failed to take.

I wish to refer, now, to two particularly odious consequences of the absence of a national economic policy. The first is poverty. What are the dimensions of this problem? Does it affect merely a handful of people, as some appear to think? Here are the facts. In 1973 there were almost six million Canadians—5,778,000, to be exact—living at or below the poverty line in our country, according to Statistics Canada. How, in particular, are the children affected? Surely, one of the most moving and disturbing reports which has ever come into our hands is, that which came out last week—all members of parliament received a copy—prepared by the National Welfare Council and entitled, appropriately and sadly enough, "Poor Kids".

What did we learn from that report? We learned that one out of every four children in Canada lives in poverty. In gross terms, 1.7 million Canadian children live in pover-

ty. All these children grow up without as much food as other kids get to eat, without the same kind of clothing as other kids wear, without the same quality of shelter as other kids enjoy, without the toys that other kids play with: without, in short, the sources of joy in childhood which make adult life a desirable possibility. This is what poverty means. In addition, such children are much more likely to fall sick. They are more likely to incur permanent brain damage as a result of malnutrition. They are less likely to go on to institutions of higher learning. They are less likely, in short, to do all the things the more affluent three-quarters of our children take for granted. This, surely, is one of the most damning indictments of a government of any advanced country.

The tragedy is compounded by the fact that, unlike India, China or other countries in Southeast Asia and South America, Canada has no excuse. There is no justification for the situation described in "Poor Kids" because there is no justification for poverty in a society such as ours. The report itself says: "There is no need for poverty in Canada". The Minister of National Health and Welfare (Mr. Lalonde) made the same point in a speech delivered last fall in Toronto when he used very similar statistics based upon the population as a whole. In a moving speech, he documented in unequivocal terms the maldistribution of income in Canada; the fact that after 25 years of so-called progressive government, government which has supposedly been concerned about tax policies leading to a redistribution of income, no such redistribution has taken place. He showed that the whole operation had been a sham. I say this as a man who at one time really believed that such policies were working and that they were significant instruments of social change. However, I repeat, no such redistribution has taken place. The top 20 per cent of our population enjoys 40 per cent of our income, and the bottom 20 per cent—the poor people of Canada—have something less than 10 per cent.

● (1540)

What needs to be done, Mr. Speaker? Other nations of the world, the developing nations, have to generate industry to bring their economies to capacity. This takes decades. What we need to fight poverty is simply a change in governmental attitude, policy and direction that will take the wealth we already have and more fairly distribute it in society. The minister who made that fine and moving speech in Toronto last fall, the Minister of National Health and Welfare, does not speak hypocritically, but the government as a whole is being hypocritical when it does not heed the minister's expressed concern and call for leadership in this regard.

The Minister of Finance (Mr. Turner), in the same month as the minister's speech, presented a budget that did nothing to rectify the evils that the Minister of National Health and Welfare so vividly described. It seems to me that you cannot express fundamental and moral concern for the people of Canada, either inside or outside the House, without taking the opportunity which presents itself in a budget to demonstrate in some way an intention to remedy the social evil you have described. That is exactly the situation with the present government. On the one hand, the government talks of society's problems, particularly poverty among adults and children; and on the other hand, when it gets a chance to act it completely fails to do so. The Minister of National Health and Welfare is not responsible for the budget, of course; that is the direct responsibility of the Minister of Finance. But the government as a whole cannot be excused for failing to act.

The Minister of National Health and Welfare over the past two years has been developing a guaranteed minimum income program. Two or three weeks ago ministers from the provinces met the minister in Ottawa to discuss what a lot of people thought was going to be the framework for a minimum income program to deal with the poverty that he himself had described in such moving terms last fall in Toronto. What has been the government's decision in regard to that program? Did the government say that it is time we in Canada eliminated a situation where one kid in four lives in poverty? In fact, about 20 per cent of our total population live in poverty. The government did not say, Mr. Speaker, that it was going to remove this evil. The Minister of National Health and Welfare, I understand under pressure from his cabinet colleagues, backed away from taking the kind of action that could have led—I say this with care and with seriousness—to the eradication of poverty within one year. As the report has documented, this could be done in this country within one year if income were redistributed.

This is not an utopian scheme for Canada in 1975, Mr. Speaker. If you had talked about it ten years ago, then you could not have said it could be done within one year. But if we want to eliminate poverty today, we can do it either by bringing in a negative income tax scheme, the details of which are well known to the cabinet, or by amending the Canada Assistance Plan Act. This was a step that a number of welfare ministers from the provinces wanted the government to take so as to make sure that all families in Canada living at or below the poverty line could overnight have their level of payments under the plan increased. Two or three weeks ago the Minister of National Health and Welfare scuttled any move in that direction, putting off once again to some future date the implementation of some kind of minimum income program in Canada. I say this is a national tragedy. It is something that could have been avoided and not put off to some distant date in the future.

The last area of specific concern, in terms of the national economy, about which I wish to say something is housing. Our party regards housing as a social right. It should not be considered a commodity that can be compared to a colour television set or an expensive car; it should be regarded by Canadians, in 1975, as medical services or elementary school education are regarded—as a basic right in an industrial country like ours. It is something we should take for granted if we are willing to work for it. Nobody gets anything for nothing, but if people are willing to work they should be able to get housing in 1975, just as they can get medicare or elementary school education. Housing should not be contingent upon having an exceptionally high income.

The government has failed to recognize that housing is a social right. It continues to try to rely upon financial incentives of one kind or another. It continues to give special tax concessions to investors. It continues to provide financial subsidies to the banks in order to get them to reduce mortgage rates, rather than deal with housing directly. I see, Mr. Speaker, you are about to indicate that my time has expired, but if I could have a few more minutes I will conclude my remarks.

Some hon. Members: Agreed.

Mr. Broadbent: The minimum need for housing is somewhere between 800,000 and one million units. The Minister of State responsible for housing, last fall said that we needed 800,000; the Canadian Council on Social Development has said we need one million units. The government should have told the Minister of Finance to make provision for this in his budget. As I have said, we must create jobs, with so much unemployment in Canada, so let us create jobs in this area of need. But instead, the government, in terms of real dollars, chose to freeze the housing budget. The 1975 housing budget is no different from the 1974 budget in terms of real dollars.

The housing minister's own target is 210,000 housing units. According to figures released a month or two ago, he will be lucky to get 165,000 units. I say the minimum target of the government for this year should have been 400,000 units, for which they could and should have allocated funds. In view of our unemployment situation, for fiscal reasons this would have been the responsible thing to do because it would create jobs, although in terms of human need also we need additional economic impact. Instead of restricting the housing budget, the cabinet should have doubled it and therefore doubled the projected target of the minister.

In my judgment, the reason the Liberal Party has failed to come to grips with housing is that it has failed to assume the obligation to direct investment into certain sectors of our society at a certain time in order to meet human and social priorities. This would mean they would have to say to the banks insurance companies and other financial institutions in Canada that a certain percentage of their investments in 1975 and 1976 must be set aside to provide the housing which Canadians need. To do that, of course, the government would have to change the Bank Act and other financial legislation; and to do that it would have to take on the banks and financial institutions in a political battle. The Liberal government is unwilling to do that. Therefore, my party does not expect the Liberal government to win the battle in respect of housing as a social right, just as it did not win the battle in respect of medicare or any other major social innovation. This battle will have to be fought and won by somebody else, and when that is done and the situation is politically safe, the Liberal government will come along and take over again.

● (1550)

I want to conclude by saying that we need a new budget within a couple of weeks which will recognize that unemployment, rather than inflation, is the principal issue in 1975. Let me assure the Minister of Finance, in case he should think that somehow it is a bizarre proposal when I say that we need a budget within two weeks, that I suggest this with a great sense of probity and responsibility. In view of the answers the minister has given the House since the beginning of this parliament last fall and since the last budget, to the effect that the government is monitoring the situation, it was not prepared to bring in a new budget but might do so in the future, I assume that his professional advice is fully abreast of the current situation. For that reason, and having regard to the request for a new budget within two weeks, I assume the government is capable of doing just that, particularly if it has been doing what the minister has said in his answers during the last few weeks.

We need a budget which recognizes that unemployment in 1975 is the crucial problem, a budget which recognizes that poverty does exist in Canada to an alarming degree and should be eradicated in 1975; and, finally, a budget which recognizes that housing needs in Canada are not being met but ought to be met and will make the kind of funds available so that instead of a mere 200,000 housing units in 1975 we can have at least double that number this year, and within a couple of years totally eradicate our housing problem.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I personally want to congratulate the hon. member for Oshawa-Whitby (Mr. Broadbent) for bringing this subject before the House. No matter how much we disagree as to the ways in which these problems ought to be resolved, this is an issue with which this House of Commons and the country ought to deal. This involves a matter of judgment. As I have said on other occasions in the House—and I will make it quite clear again—we are leaving our options open at this stage until we have completed a further analysis of the facts. As I have made quite clear, we disagree with some of the fundamental positions advocated by the New Democratic Party. I hope the leader of that party will not misunderstand me if in the course of my remarks today I put on the public record some of the inconsistencies which he and his colleagues have presented for the scrutiny of the Canadian people.

I also congratulate the hon. member on his style of debate in dealing with the issues. I enjoyed listening to him. Obviously, when you look around the chamber, in spite of the fact that this is the number one problem in the country it is not a big grabber at the moment as far as the House of Commons is concerned.

Mr. Stanfield: There are four committees sitting.

Mr. Turner (Ottawa-Carleton): The Leader of the Opposition (Mr. Stanfield) points out that there are four committees sitting. This problem is not even a big grabber for our friends of the fourth estate, who seem to be more interested in the Hamilton harbour dredging scandal than in what I believe to be the crucial issue before the country.

Mr. Clark (Rocky Mountain): It is not a grabber so it's a wonder you are here at all.

Mr. Turner (Ottawa-Carleton): I would not mind at all if the hon. member for Rocky Mountain (Mr. Clark) would like to take a breather. I want to say at the outset that the nature of the rate of unemployment and inflation is not

satisfactory at all. These are both troublesome problems in this country and they are twin problems of great concern to the government. They have to be dealt with simultaneously. In spite of the human problem in terms of the concern of men and women out of work in this country, I would insist that we will not have the growth necessary to provide new jobs if we do not get the problem of inflation under control.

To this extent, I agree with the United States Secretary of the Treasury who said to the members of the press at the National Press Club yesterday afternoon that the recession was brought on in the United States because of the effects of inflation on the economy of that country. We have to deal with both these problems at the same time if we are to get the type of growth we need in order to provide jobs for the young men and women of our country who are joining the labour force at the highest absolute, relative, rate in the world.

The first point I want to make in answer to the terms of the hon. gentleman's motion calling for a budget within two weeks is that that there is already significant stimulus injected into the economy. Before the United States, Germany and other European countries moved we had already, on November 18, injected $3 billion, in terms of a combined budgetary and non-budgetary deficit, into the Canadian economy. To put that in terms of United States figures, which are roughly 12 to 1, it is equivalent to a deficit of about $35 billion or $40 billion on total account. Because of stabilization factors built into the economy, because of lower prospective corporate revenues and because of rising unemployment, these stabilization figures have probably moved the cash deficit closer to $4 billion than $3 billion. The tax cuts provided in the November 18 budget, expanding the May 6 budget, are now already in effect for the 1974 and 1975 years in terms of payroll deductions. Fortunately, our cash balances are good and even with that amount of deficit I will not have to go to the market for amounts that would adversely affect our interest rates.

I want to draw to the attention of the House the difference between the position we face and the position recognized publicly yesterday by the United States Secretary of the Treasury. He will have to finance about $80 billion to $90 billion to cover the deficit in the 1975 calendar year in the U.S. economy, and the effect that may have on interest rates in the New York market toward the end of the year is something I will have to take into account in terms of our own debt management and management of our economy. The second point I want to make is that our economy, in 1974, experienced real growth of 3.7 per cent, against negative growth in the United States of 2.2 per cent. In other words, when we look at the respective stimuli we have to compare the respective stages of these two North American economies.

As I said to the House in answer to the Leader of the Opposition (Mr. Stanfield), or to the hon. member for York-Simcoe (Mr. Stevens)—I cannot recall whom—one ought to take into account the fact that for 1974 our gross national product grew at a real rate, inflation discounted, of 6.8 per cent and the 3.7 per cent in terms of real total growth or gross national product represents a drag on or a leakage in our economy because of falling exports. This is what has happened to Canada's economy because of a flat, stagnant, recessionary economy in the United States which takes, as the hon. gentleman has said, 67 per cent of our trade. Our next biggest customer is Japan, which is also in a state of recession, as is the United Kingdom, our third largest customer. That is why I say that for 1975, although we can expect growth, and we are probably one of the few of the 24 industrialized nations who are members of OECD that will experience growth, in real terms, in 1975—

Mr. Stanfield: How much are you expecting?

Mr. Turner (Ottawa-Carleton): We have shaded off our growth figures from 4 per cent in the budget, and I will be coming up with some definitive figures when I have analysed the effect of our stimulus here and the effect of whatever package the United States puts together after the administration and the President are able to negotiate an economic package with the U.S. Congress.

It is because of the drag on our economy resulting from falling exports and the state of the economy of the United States and the economy of European countries, all of which is crucial to us, that this situation has developed. I want to analyse the first quarter figures in Canada to see how the stimulus is biting. I shall analyse the situation as it develops in the United States. Our economy has suffered, primarily, through 1974-75, not because of the falling off of our domestic economy but because of exports, now reinforced by lower housing and some diminishing in the consumer demand rate.

● (1600)

The third point I want to make to the hon. gentleman from Oshawa-Whitby who brought this motion to our attention is the fact that in any economy there are time lags between the presentation of a budget or the enactment of legislation and how it works its way through an economy. Traditionally, the economists underestimate the time lag, as do politicians and journalists. The budget presented on November 18 is already in effect for the 1975 and 1976 years. As I said on budget night, we hoped it might take by the third and fourth quarters of 1975 and particularly by 1976. I repeat again that $3 billion to $4 billion is already injected into the economy by way of a total deficit of budgetary and non-budgetary requirement.

The crucial question in trying to analyse how best to achieve growth without exacerbating inflation is, when is the economy going to turn up and, particularly, when will the United States economy turn up? The Secretary of the Treasury of the United States expects a substantial growth in the fourth quarter of this year. If that is so, and there should be a similar effect for the Canadian economy, that is just when the added stimulus recommended by the hon. gentleman would begin to bite and would compound whatever inflationary tendencies were still in the economy. Those are issues against which I must exercise judgment and reflection and I must have better correlation in respect of the facts than I now have.

The hon. gentleman said that unemployment is 6.8 per cent. He said this is the highest it has been since the depression. That does not happen to be true. In terms of absolute numbers, he recognizes that the labour force now

is larger than it was in the 1930s. He also recognizes that we had no figures: Statistics Canada, or its predecessor the Dominion Bureau of Statistics, did not start to publish unemployment statistics until 1953. We have no way of knowing what the percentage figures were during the depression. I can say to the hon. gentleman that in the early 1960s and 1970s—

Mr. Broadbent: I did not give the percentage. I gave the figure of some 800,000.

Mr. Turner (Ottawa-Carleton): Yes, but in terms of percentage of the labour force we had higher unemployment in 1962, 1961, 1960, 1959 and in some of the early 1950s. I am saying to the hon. gentleman that this is not the worst unemployment we have had since the depression. We must compare the men and women out of work with the total labour force. I can recall to him—and I take limited satisfaction from it, in view of the current human conditions—that this government has been interested in new jobs. In the last three years we and the Canadian economy have found one million new jobs for Canadians.

The hon. gentleman mentioned housing. In the budget, I said that this remains a fundamental requirement of the government. It is one of the prime thrusts in the budget. We expect, and will continue to do so with the co-operation of my colleague the Minister of State for Urban Affairs (Mr. Danson), to inject the necessary stimulus into the economy to attempt to reach the target of 210,000 new units and new starts.

Mr. Broadbent: You need more than 210,000.

Mr. Turner (Ottawa-Carleton): We will argue that in a minute. I was impressed and, as a matter of fact, moved by the description the hon. gentleman gave on the state of poverty of this country. I share his concern. I say to him, again, that although we may disagree in respect of the approaches to a number of these issues, he has no monopoly on compassion. We are all trying to eradicate what is a blight on the Canadian scene.

I want to point out to him and to our colleagues in the House that we have done a great deal in an effort to protect those who are least able to defend themselves against economic cycles, against the erosion of inflation. We raised the old age pension and adjusted it against cost of living. We adjusted the guaranteed income supplement and increased it. We tripled family allowances and adjusted those against the rise in the cost of living to protect those families with small children, particularly those below the poverty line. We came up with the largest tax reduction in Canadian history, and 70 per cent of those reductions affect people with incomes of $10,000 or less. We eliminated what the hon. gentleman considered to be a regressive sales tax for all clothing, all food and all drink except alcohol. We do represent, after all, the party which brought in medicare and hospitalization programs and we are committed to a guaranteed annual income.

Mr. Broadbent: Tell us about the Liberal Party in Saskatchewan.

Mr. Turner (Ottawa-Carleton): Now I want to recall to the House some of the policies of the NDP if, perchance, by way of electoral accident, the hon. gentleman and his friends were ever to form a government in Canada. Hopefully, that is only remotely academic. In any event, I think the House deserves—

Mr. Stanfield: Mr. Speaker, I wonder if the minister would permit a question.

Mr. Turner (Ottawa-Carleton): Yes, sir.

Mr. Stanfield: In respect of the American economy and the trend of that economy the minister referred to the view of the United States Secretary of the Treasury that there would be an upturn in the fourth quarter. When will the minister determine whether there will be an upturn in the fourth quarter? Will it be at the end of the fourth quarter?

Mr. Turner (Ottawa-Carleton): I think the hon. gentleman knows me better than that, and also knows himself better than to take that question too seriously. I have given the best analysis I can at this stage of the situation. Since the hon. gentleman's party will in due course want to bring forward its own motion, for the moment I want to deal with the New Democratic Party.

Mr. Broadbent: Mr. Speaker—

Mr. Turner (Ottawa-Carleton): I just hope, Mr. Speaker, that the time allocation is being adjusted accordingly.

Mr. Broadbent: Mr. Speaker, I feel the House will agree to extend the time of the minister in the way he so generously did for me. I just want to say to the minister that unfortunately I cannot remain for the completion of his remarks; I have to visit one of his government's ambassadors. I did not want him to think that I was leaving because he was now getting into the most interesting part of his speech.

Mr. Turner (Ottawa-Carleton): I can forgive the hon. gentleman if he will give me the undertaking that he will read this speech in the morning. I recall that the House leader of the New Democratic Party spoke during second reading debate on the income tax bill on February 11, 1975, at which time he held up West Germany as a model for Canada to emulate. He said that if we had half the competence in managing our economy which West Germany has, we would be going somewhere. He stated that West Germany imports virtually all its petroleum, has the lowest rate of inflation in the world and has the fullest employment, but that this government, with all its resources, manages to maximize the worst of both evils. He said we have high inflation and virtually full unemployment.

That contention by the hon. member for Oshawa-Whitby indicates that, if anything, he is even more badly informed about the West Germany economy than about the Canadian economy. Without reflecting in any way on the management of the West German economy, let me point out that whatever success the hon. member for Oshawa-Whitby attributes to it has been achieved primarily by fiscal and monetary policies that are totally contrary to those advocated by the New Democratic Party.

Conversely, let me point out that the policies the NDP is advocating are almost guaranteed to ensure that the

performance of the Canadian economy would be very much worse than that of Germany or any other industrialized country. It is quite true that Germany has experienced significantly less inflation than most other industrialized nations. In large part this is the result of severe fiscal and monetary restraints which the government imposed on the economy early in 1973 and maintained until very recently. These restraints served to curtail sharply German economic growth.

German imports were also curtailed sharply, while its exports remained buoyant, which contributed to the substantial appreciation of the exchange value on the market which in turn helped to insulate Germany from inflation abroad. I might add that the moderate claims by German workers for increased wages and salaries have also contributed to achievement of Germany's moderate rate of inflation. Last October, the member for Oshawa-Whitby maintained the exercise of any restraint by Canadian trade unions was "totally insupportable". During 1974 the real gross national product in Germany rose only by 0.4 per cent, compared to the Canadian increase of 3.7 per cent. In 1973, Germany's real GNP rose by 5.3 per cent, compared to 6.8 per cent in Canada. Employment in Germany today is lower than it was in 1963. Unemployment has more than doubled in the past year, to 5.1 per cent, a figure that no doubt would be considerably higher if measured in the same way in Canada with our regional differentials. Germany has announced its intention of reducing its foreign migrant work force from 2.3 million to 1.5 million.

● (1610)

Does the hon. member for Oshawa-Whitby really consider that we should have followed the German example in imposing tight fiscal and monetary restraints on the economy as much as two years ago? Would he consider that the consequent slow growth and sharply increased unemployment which would result in this country because of a very rapidly growing labour force would be a measure of the kind of competent economic management which he espouses? In his words, we would certainly be going somewhere, but hardly in the direction he advocates.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): What is the NDP position? I have some difficulty here, but I shall do my best to try to reconcile some of the economic pronouncements of the hon. gentleman and his colleagues. The fact is that the NDP has loudly and consistently clamoured for the adoption of policies which are the very antithesis of those followed by successive German governments, including the hon. member's fellow Democratic Socialists who make up the present German administration.

When did the NDP in this country ever advocate even the smallest measure of fiscal and monetary restraint? To the contrary, they have at all times advocated pulling out all the stops, dismantling the brakes and pushing the accelerator down to the floor. Their position at present is no exception to the rule. If anything, the policies they propose are more wildly expansionary and inflationary than any they have ever advocated before.

Some hon. Members: Hear, hear!

[Mr. Turner (Ottawa-Carleton).]

Mr. Turner (Ottawa-Carleton): Hon. members will recall that during the course of the same speech on February 11 in which the hon. member for Oshawa-Whitby, House leader of the NDP, set up Germany as a model for us to follow, he also made a number of proposals which he claimed would deal simultaneously with the problems of unemployment and inflation. He proposed, first, a $400 tax credit for every Canadian family with two children regardless of whether they were liable for taxes. Second, he proposed payment by the federal government of 100 per cent of all labour costs for municipal public works programs.

Then, third, he proposed the abolition of the sales tax on automobiles after ordering the auto manufacturers to eliminate the price differential between Canadian and U.S. cars. Fourth, he proposed an unspecified increase in the basis OAS and the CPP to provide what he called adequate pensions. Fifth, he proposed an increase in federal civil service salaries equivalent as a minimum to the rise in the cost of living since the last contract was negotiated, plus the increase in economic growth, plus a cost of living adjustment for the future tied to the increase in the consumer price index.

The last two proposals constituted the program advocated by the NDP to disabuse anyone of the idea that it was suggesting for one minute that "nothing could be done about inflation." Of course, neither of these proposals would do anything about inflation. They might help some Canadians to live better with inflation, but they would do nothing to help bring it under control. On the contrary, these measures, together with the others proposed by the hon. member, would only serve to add fuel to the inflationary fire. What would be the cost to the federal treasury of the NDP proposals, in terms of increased expenditures and lost revenue? It seems they have no answer, but that is the least of their concern.

I remember very well that the hon. member for Dauphin (Mr. Ritchie) asked the hon. member for Oshawa-Whitby, during that speech, how much his $400 tax credit proposal would cost. The NDP House leader replied: "We do not have any precise figure for that." He went on to say:

> I can say with reasonably good authority, from a number of economists, that the total impact of this on the situation we are headed toward, would result in a very significant deficit in terms of the federal budget for the coming year. There is no doubt about that, but it is this kind of deficit in our current economic situation we think is not only justified but required.

Those were his words. Even from the NDP that adds up to an incredible piece of mumbo-jumbo. Here we have the principal spokesman in the House of Commons for the NDP telling us in one breath that he does not know how large a deficit would be created by the program his party advocates, and in the next breath telling us this deficit of large but undefined magnitude is exactly what our economy requires in the present situation. He does not know how big it will be, but boy, it is right for the country. Of course, I can understand the hon. member's difficulty in arriving at any estimate of the cost of the program his party advocates since many of the proposals are so vague as to be virtually meaningless. We have it on the authority of the hon. member for New Westminster (Mr. Leggatt), and I am using his words, that the tax credit scheme alone—

—will mean that something like $4 billion will be put back into the bottom level of the economy, on a one-shot basis, to get this thing back on the rails.

That quotation will be found at page 3134 of *Hansard*, Mr. Speaker. Pulling another figure out of the air, he blithely calculated that a tax reduction of $4 billion would, to use his words—

—regenerate about $1.5 billion in taxes—

Leaving a net cost to the treasury of a mere $2.5 billion! To indicate just how well thought-out the NDP proposal is, let me point out that while the hon. member for New Westminster was suggesting that what was required was a tax cut of $4 billion, the hon. member for Yorkton-Melville (Mr. Nystrom) told the House on February 21, as reported at page 3450 of *Hansard*:

What is needed to stimulate the economy is another $1 billion or $2 billion in the hands of the people in the low income bracket.

Well, the hon. member for Yorkton-Melville says $1 billion and his colleague from New Westminster says $4 billion. To the NDP, what is $3 billion?

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Then we have the hon. member for Waterloo-Cambridge (Mr. Saltsman) who told the House on January 30, 1975, as reported at page 2752 of *Hansard* that he thinks, and I am using his words—

—The economy is essentially strong and healthy and not even the government can damage it very much.

He said that with his usual charming sense of humour. He went on to say that he had difficulty understanding how the Conservative proposal for a $500 million tax reduction would at the same time stimulate the economy and reduce inflation, as claimed by the hon. member for York-Simcoe (Mr. Stevens). He indicated that what was required was not a tax reduction to stimulate the economy, but a change in the tax system to provide for a more even distribution of income. The hon. member for Waterloo-Cambridge contended that the tax cuts proposed in the May and November budgets were "enormously regressive". We return to the view of the hon. member for Yorkton-Melville who told the House on December 6, 1974, as reported at pages 2020 and 2021 of *Hansard* and I like these remarks because I was here to listen to them:

Our income tax system is now the most progressive in the world. It takes into account the needs of individuals. We should do the same sort of thing with other taxes.

The hon. member for Waterloo-Cambridge says our taxes are regressive, but not the hon. member for Yorkton-Melville. To return to my main theme, let me point out that we have it on the authority of an unnamed aide to the NDP leader in the House, one of those researchers supported by Mr. Speaker's estimates, and we are all for that, though I do feel the NDP members ought to get together with the same researcher and make sure they are working on the same material—

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): —we have it from an unnamed aide to the NDP leader in the House, as reported in the Toronto *Star* of February 12, 1975, that the tax credit scheme would cost more than $4 billion—he did not say anything about regenerating taxes—and that a $5 billion estimate for the total NDP package probably was a little conservative. That is the NDP aide to the current House leader of the NDP. That may well prove to be the greatest understatement of the parliamentary year.

Let us accept, for the sake of argument, the NDP cost estimate for the tax credit of more than $4 billion. Let us abolish the sales tax on automobiles as proposed by the hon. member for Oshawa-Whitby. That is $400 million or so. That brings us close to about $4.5 billion right there. What about the cost of the increase in old age pensions? The hon. member was particularly vague about what he had in mind, but so far as the OAS alone is concerned, I suppose I am safe in assuming that he was not advocating anything less than that advocated by the leader of the NDP during the last election campaign, an increase in the OAS to $200 monthly and the reduction over a five year period of the eligible age from 65 to 60.

I am advised that just in the first year the cost of that proposal would be more than $2 billion, a cost that would escalate by two or three times that amount over the course of the five year period. What the NDP has in mind with regard to increasing the Canada Pension Plan, I hate to guess. Leaving that proposal aside, it is not difficult to bring the total cost of the tax credit, abolition of the auto sales tax and the increase in the OAS, to more than $6.5 billion.

I imagine that it is anybody's guess how much it would cost for the federal government to pick up the tab for all municipal public works labour costs as advocated by the leader of the NDP, but I might point out that the estimated municipal construction outlays this year, not including school construction costs, will total more than $1.6 billion. If our experience with the winter capital projects fund is any guide, then labour costs will amount to around 65 per cent of that total, which would involve a federal expenditure of about $1 billion. That would raise the grand total for the NDP program to $7.5 billion. That is over the $3 billion to $4 billion deficit already in force in the economy, so we are talking about a $10 billion package from the NDP.

● (1620)

I will not even try to estimate the cost of the federal public service wage package proposed by the member for Oshawa-Whitby. Nor will I try to guess what is involved in his proposal to double housing construction to some 400,000 units. The member for Oshawa-Whitby spoke of the government infusing "enough capital into the economy to allow for the building of 400,000 new housing units". I do not know whether he is proposing that the Bank of Canada simply turn the credit tap wide open so as to generate private mortgage funds to finance such construction, or whether he is proposing that the government do the whole job itself. Let me just point out, however, that Statistics Canada estimates that capital investment in housing will amount to $6.7 billion this year, and to double housing construction would require the investment of double that amount.

Some weeks ago it was reported that the leader of the NDP government in British Columbia had emphasized the need for "fiscal responsibility". It should be blatantly

obvious that what is proposed by the NDP in this House is the ultimate in fiscal responsibility. To inject the kind of stimulus into the economy proposed by the NDP leader in the House would be like giving a person a massive overdose of speed pills with the same ultimately disastrous consequences.

When you are number three, it is easy to be all things to all people; it is easy to promise the moon and the sun and the stars. When you are number three you do not have to count the costs because you know there is no day of reckoning close at hand. Therefore you can go on making wild proposals that only make sense to Alice in Wonderland. Unlike Alice, however, the vast majority of Canadians are too preoccupied with the problems of unemployment and inflation. They do not live in wonderland and, happily, are too sensible and realistic to be taken in by schemes that are out of this world.

Some hon. Members: Hear, hear!

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I would have thought we would have had some indication from the Minister of Finance (Mr. Turner) today of what he proposes to do to correct conditions which have 839,000 Canadians out of work at the present time. Rather than the minister making fun of the speeches made by other members of this House, I would have thought he would have attempted to explain the fiscal irresponsibility of his own tenure of office. Rhetoric is fine, but let us not forget the fact that for three years this minister has contributed to the 30 per cent inflation that has occurred in this country. In the previous three years, his predecessor, Mr. Benson, was able to keep the rate to 11.5 per cent.

An hon. Member: Big Ben and Little John.

Mr. Stevens: It is ludicrous for a Minister of Finance with this minister's record to talk about fiscal irresponsibility. He likes to ask everybody for ideas and presumably he is shopping the world for new ideas now. Certainly he seems to like our ideas, so we will offer a few today. I find it interesting that the minister is so at sea in March, 1975, that he cannot hazard a new guess as to what our real growth rate for the current year will be. Our financial institutions are willing to hazard a guess, various economic research institutions will hazard a guess, other countries are hazarding guesses—but this Minister of Finance is playing the political game; he will not stand up and say that he believes real growth will be "X" per cent.

When you look at the record, it is perhaps easy to understand why he is a little hesitant to do so, because whether it has been on his own advisers' advice or on the advice of the mysterious group of seven, his record has not been too good in estimating the future fortunes of the country. In May, in his budgetary speech, the minister stated that real growth in 1974 would be 5 per cent. In November he had scaled it down to 4 per cent to 4½ per cent. We know now that the actual growth was 3.7 per cent in 1974. In the November budget the minister stated that he anticipated real growth would be 4 per cent in 1975, and he said this was partly due to the stimulus he was putting into the economy.

What are the facts, Mr. Speaker? The minister will not tell us, and I honestly believe that he does not know. He is drifting as he has drifted for three years. The Conference Board of Canada believes that the real growth in this country for 1975 will only be 1 per cent. The Bank of Montreal believes it is going to be 1.3 per cent. Certainly it is going to be much less than the 4 per cent mentioned by the Minister of Finance in November. I mention this because I believe we have to accept the fact that economic conditions have changed since November of last year. The minister admits that his November 18 budget was based on forecasts that have not materialized. That is his gentle way of admitting he has made a mistake. In my opinion, it is a colossal mistake. In the meantime, we have bought ourselves a recession the like of which has not been seen since the 1930s.

We, of course, are pleased that the NDP caucus, in their motion today, have at least joined us in pressing the government to rectify the inadequacy of their present economic stance. Let me reiterate our position. We have been pressing this government constantly to take some action to relieve the unsatisfactory situation that exists in this country. At second reading and at committee stage of Bill C-49 we moved that the government cut personal income taxes by $500 million. Such a cut would result in a saving for most Canadian taxpayers of $60 to $150 in this year alone. Unfortunately, the government blocked both our moves to give that tax break to Canadians.

During earlier debate on budgetary enabling legislation we pressed the government to reduce the sales tax on building materials. This would have meant a cost saving of $380 million to the construction industry which at the present time is bearing a disproportionate share of the current slump. During the last election campaign we advocated that interest in excess of 8 per cent payable on mortgages on private homes should be deductible from income as an expense before the payment of income tax. We reiterate that position today and urge the government to accept our proposal or at least to accept the principle that some portion of mortgage interest should be a tax deductible item. We estimate that our suggestion would amount to a concession to overtaxed present and future home owners of approximately $250 million per year.

● (1630)

To accommodate these tax cuts or concessions of approximately $1.1 billion, the government can, should and must curtail its spending programs by a like amount. This government has demonstrated that it cannot discipline itself on spending matters. Parliament must therefore accept the responsibility of restraining the government. This, frankly, we cannot do without the support of the majority of the members of the House, including members of the Liberal caucus.

The irresponsible record of the Minister of Finance is clear. His imprudent handling of the economy, or at least the government's reckless programs involving spending, have contributed to our current unsatisfactory economic conditions. The Minister of Finance complains these days that he and the President of the Treasury Board (Mr. Chrétien) are out-voted in cabinet when they attempt to restrain government spending. Perhaps these two ministers need our sympathy as they attempt to function within a cabinet filled with starry-eyed dreamers who, for short-

sighted political advantage, jeopardize the very foundations of our way of life.

For the benefit of hon. members who did not attend last Tuesday's meeting of the miscellaneous estimates committee, I point out that at that meeting the minister was pressed to explain why he has been making certain statements to the private sector in this country. He was asked why he had said at outside meetings that he is being out-voted in cabinet when he tries to restrain spending. In answer he said:

> You know, Mr. Chairman, one of the first men I talked to after having been sworn into this portfolio was Dr. John Deutsch, then the principal of Queen's University and the former chairman of the Economic Council of Canada, a good friend of mine. He indicated, and it was not the first time I heard the view, that in democracies today there are no such things as economic cycles. There are political cycles, depending on the pressures of public policy and the spending on the parliamentary or congressional process at the time. Certainly we were under political imperatives where the pressures are stronger in a minority rather than a majority parliament. Those happen to be facts of life.

I asked the minister:

> You wanted to be re-elected.

The minister replied:

> Those happen to be the facts of life.

Mr. Turner (Ottawa-Carleton): Madam Speaker, I rise on a question of privilege. I do not think the hon. gentleman should quote selectively from the committee report. I ask him to read the entire report and he will get the sense of what I had in mind, because he is misinterpreting and deliberately putting another construction on what I said. I also ask him to indicate to the House where I have spoken publicly about alleged conflicts within the cabinet. The hon. member is playing a game, the game of selective citations and selective quotations.

The Acting Speaker (Mrs. Morin): Order, please. That is a point of debate.

Mr. Stevens: Madam Speaker, I was quoting directly from remarks as recorded in the *Minutes and Proceedings of Evidence* of the Standing Committee on Miscellaneous Estimates. The minister went on to say, as recorded in the *Minutes and Proceedings of Evidence*:

> The parliamentary structure at the time reflects it, the types of expenditures that were approved.

Putting it simply, the Minister of Finance says that political expediency takes precedence over economic responsibility.

Some hon. Members: Shame.

An hon. Member: Nonsense.

Mr. Stevens: Perhaps the minister will set the record straight and tell us why we are in our present economic plight. The fact is that the government, in its lust to retain power, jeopardized the very economic foundations of the nation. Surely the minister must ask himself why he has done so poorly, during his years in office, in coping with his colleagues compared with his predecessor in office, Mr. Benson. For example, the minister will, in the period 1972 to 1976 allow government spending to double from $17.7 billion to $34.9 billion. I say this on the basis of the minister's own budgetary statements. Government spending will be twice as great as that at the end the previous four years, four years in which the much criticized Mr. Benson at least held government spending increases to half their present rate in percentage terms. How can the minister live with his colleagues in cabinet?

The Minister of Finance indicated that government expenditures, on a national accounts basis, would rise from $23.7 billion in the fiscal year 1974 to $34.9 billion in 1976. That rise in spending represents an increase of $11.2 billion in two years, or 47 per cent. That $11.2 billion increase almost equals the total average budget brought down by Mr. Benson. Let us not stop there: let us compare the record of both ministers of finance. When Mr. Benson left office he had succeeded in reducing the rise in the cost of living in this country to 2.9 per cent per year. The average rate of increase for three years had been 3.6 per cent per year. The rate of increase under the present minister has never been below 4.8 per cent and the average for his three years in office is 7.8 per cent—nearly 8 per cent.

As well, the unemployment rate has been higher, on average, in the past three years than in the previous three years. Our current account trade balance has shifted from a three-year average surplus of $165 million under Mr. Benson to a three-year average deficit of over $1 billion under the present minister. At the same time, real economic growth in the country has not changed significantly. Think of the handicap we are working under. Real growth under the régimes of both ministers of finance has been relatively the same if taken on a per annum basis. But, today we face the impossible situation of high unemployment, high inflation rates and a deteriorating trade balance. I suggest that these conditions have been aggravated by a government which has lost control of its spending perspective, has artificially stimulated the money supply in this country by over 20 per cent per year, and has through indecisive leadership so confused the business community that they no longer have confidence to commit funds to long-term investment.

Having created this climate, having tolerated an inflation rate of 30 per cent in the past three years, compared with one of 11.5 per cent in the previous three years, the Minister of Finance should not now be turning to labour and criticizing the working-man, who naturally is trying to protect himself from the ravages caused in part by this government. I suggest that if the government restrained their own spending and their demands on the economy, the private sector would look after itself and the Minister of Finance would not have to create a bogeyman to divert attention from the real problems in this country. The problem is that this government has acted irresponsibly in monetary, fiscal and economic field. We all know of speeches which the Minister of Finance has delivered to labour union leaders, in which he has chastised them and said, "Hold your wage demands down." Surely it would have been much more fair for the Minister of Finance to have gone to those labour leaders, laid his cards on the table and said, "Sorry, fellows. In order to keep power and win re-election we tampered with the economy. We over-inflated money. We spent too much. We caused inflation and we hope you will understand." That would be an honest presentation if the Minister of Finance would make it. Instead, the problem having been created, he goes to

labour and says, "Hold the line, men." I suggest the government should show the first leadership in holding the line, and I do not think a 43 per cent increase in government spending in two years is holding the line.

● (1640)

Governments are elected to govern. Leaders should lead. It is time the Minister of Finance and the Bank of Canada gave clear direction to our economy so that our capital markets could get on with the job of righting the imbalance that has grown in corporate liquidity throughout the land. Included in that direction must be encouragement to allow interest rates in this country to fall. Our interest rate structure is not falling at the same rate as interest rate structures in other countries. This situation should not be allowed to continue. The Bank of Canada should show leadership by reducing the bank rate from its present level. While doing this, debt capital should be encouraged to enter the country, especially from nations which have been selling us their oil. I hope during the trip which the minister apparently intends to take to certain oil countries he will endeavour to negotiate some debt loans in order to improve our dollar position.

Present government policy of maintaining relatively high interest rates in Canada to support our dollar will lay this economy low if it continues. We are being faced with colossal deflationary pressures. The nation will better respond to these pressures if the economy is allowed to enjoy lower interest rates, especially on mortgages which people have to handle on their homes. The Minister of Finance is undoubtedly aware of the current liquidity crunch in business. He must be aware, for example, that the short-term loan to bond ratio has risen from .59 in 1962, which was looked on as a normal ratio, to .72 in 1970 and it is now at an alarming .90. Other corporate liquidity ratios are equally alarming.

As I said at the beginning, economic conditions have worsened dramatically since November 18. In his budget speech on that day, the Minister of Finance stated:

> The situation may change. If so, I will not hesitate to recommend a change in course. But this is how I see the issues today—and these are the policies I believe to be suitable today.

The situation has changed. It is time for the minister to act.

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

Some hon. Members: Continue.

The Acting Speaker (Mrs. Morin): Is it agreed that the hon. member shall complete his remarks?

Some hon. Members: Agreed.

An hon. Member: Why don't you say something.

Mr. Stevens: Thank you, Madam Speaker. Perhaps the most important thing I could say is, why doesn't the government resign and let us get another government? It is time for the minister to act. We believe he should act by lowering the tax rate in Canada in three important areas, namely, a reduction in personal income tax, elimination of the sales tax on building materials, and the allowing of interest on mortgages over 8 per cent to be a deductible expense before paying income tax. The minister and the government should give leadership in restraint by insisting on less government spending. Apparently it is even more important that the minister's colleagues accept this restraint. As I have already mentioned, we have learned that this minister has little clout within cabinet.

Some hon. Members: Oh, oh!

Mr. Stevens: I mentioned the unfortunate position that the minister and apparently the President of the Treasury Board are in, but we at least have the group of seven off the minister's back. Freed from the group of seven, I would think he could be a little more decisive. We believe interest rates should be encouraged to fall to lower levels, but above all we believe it is essential that this government start giving leadership in the economic field. It is time the charade of consensus chats ended. It is time that decisions were made. It is time that ad hockery ended.

Some hon. Members: Oh, oh!

● (1650)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Madam Speaker, the Leader of the New Democratic Party in the House, the member for Oshawa-Whitby (Mr. Broadbent), has introduced today a motion dealing with three specific points—increased unemployment, shortage of housing and poverty. The Leader of the New Democratic Party is merely asking the government to introduce within two weeks a new budget to cope with the situation. I wonder whether he is serious when making such a suggestion, because in my opinion to ask point-blank the government to introduce within two weeks a budget with provisions to control unemployment, shortage of housing and poverty is Canada is to expect a great deal from this Liberal government.

We are now experiencing in Canada a rate of unemployment which is far too high. For the past few months, there has been a shortage of consumer goods. There is no reason why the rate of unemployment should be so high and we know that its cost is inflation.

Whenever questioned in the House, the right hon. Prime Minister (Mr. Trudeau) or the Minister of Finance (Mr. Turner) or any other minister invariably answer, as in every one of their public statements: We cannot help it, it is an international problem. The same thing goes on in the United States, in Europe and in Japan.

A few days ago, I was attending the question period in Canberra. The first question the right hon. Prime Minister of Australia was asked dealt with unemployment and inflation. The answer of Prime Minister Whitlam was exactly the same as the answer of the Prime Minister of Canada when he is asked similar questions; the same thing goes on in America, in Europe and in Japan. Now that proves that the government feels unable to complete its fight against inflation and its attempts to bring unemployment back to a more reasonable level.

Madam Speaker, since 1962 when I first came to this House, the government has initiated all kinds of fights:

fight against poverty, fight against unemployment, fight against inflation. But the more the government fights those problems, the greater they become.

Madam Speaker, I could almost ask the Minister of Finance to cease fighting, since the more he fights, the worse things turn out. Maybe the time has come when we should look for other solutions, and find out the causes of that excessive and overly rapid unemployment rise and all the resulting problems.

In 1966, I believe, the Economic Council of Canada declared that a yearly 2 per cent rate of inflation and price increases could be termed acceptable. Our annual rate of inflation now is about 12 per cent. This is unacceptable. It annihilates the results of every federal, provincial, municipal, corporate or individual undertaking.

Inflation is robbery, because it deprives the worker of purchasing power, and mainly because it destroys his savings. It is no longer possible to put money aside for bad years, because inflation destroys revenues that could be gained from savings. Inflation destroys not only revenues, but savings. Solutions have long been overdue in this area.

Housing is a real disaster. Housing starts declined to catastrophic levels, and in a few months rents will be on the upswing because housing will become increasingly scarce. The Minister of Urban Affairs (Mr. Danson) travels across Canada, making speeches and statements before almost every builders' and financial clubs or associations. He keeps repeating that the government is trying to increase housing starts. Obviously this has no effect on builders or those in need of housing, for the simple reason that people cannot afford the ever higher cost of those houses. We have one more disaster there, and I find it hard to believe that government measures announced by the Minister of Finance and by the Minister of Urban Affairs will spur housing starts, or that some day every Canadian will own his own house.

This brings me to the main point of my remarks, proverty. It has been plaguing us for quite some time. I have here reports dating from 1963. This one by Maurice Huot appeared in *Le Droit* of Ottawa; it indicates official agencies have been set up to eliminate poverty or rather hide it.

As University of Alberta vice-president Malcolm Taylor said in 1963 at the 43rd Annual Convention of the Canadian Welfare Council: the poor are still with us in Canada. The Ontario Federation of Labour, at a convention in October of 1964, stated after an inquiry:

> Almost 2,500,000 Canadians, in other words, over 13 per cent of the population, live . . .

—or lived, at that time—

> . . . in dire poverty, and 1,500,000 others barely survive.

The report added:

> . . . 2,500,000 other Canadians lack comfort or some of the basic needs.

That was in 1964.

● (1700)

Now, in 1975, despite all the achievements of science, we face situations far worse that those. Indeed, while about 13 per cent of Canadians then lived in extreme poverty, their numbers reach roughly 20 per cent today. In a recent report published by the Canadian Welfare Council on poor children, we are told that 25 per cent of all children in Canada live in poverty. I shall come back to this later on.

Now, Madam Speaker, let us go back to 1963-64. I have here the statement of a journalist, since then become minister, made precisely before the Canadian Welfare Council. On May 30, 1963, one could read the following news in *La Presse*:

> Taking offence at the sight of the poor who still dare exist, modern society covers its face not to see them.

The editor-in-chief of *La Presse* at that time, Mr. Gérard Pelletier, made that statement:

> . . . to a specialized audience, the members of the Canadian Welfare Council, at the dinner which brought to a close the council's annual general assembly.
>
> Mr. Pelletier reproached them their modesty and silence, claiming that they should cry out and shock the public with the scandal of poverty in Canada.
>
> "Misery in Canada will not disappear before it becomes unbearable to most Canadians. For the time being, we can live very well with it, thank you."
>
> "The fact that there is no research being carried out into the possible ways of destroying it is due proof that we accept it. Where are the social laboratories we need, where scientists well provided with tools and funds would try to identify its causes and propose remedies, just as physicians by the thousands are doing now with cancer and rheumatism?"

Would poverty be a sickness?

> "Poverty disturbs us whenever we think about it, but this is something which happens to us less and less."

Later on, the *La Presse* editor added:

> ". . . Let us admit it, we have removed poverty and those who are faced with it from society; we have surreptitiously established, through the indirect means of bank accounts and the idea of solvency, a system of segration as implacable as that instituted by racist southerners, although it may not seem quite so odious at first glance."

At the time, the newspaperman who made this statement was the editor of the Montreal newspaper *La Presse*. He is a minister now, but we no longer hear from him the type of statements he used to make as a newspaperman. Yet, he had been blaming the Canadian Welfare Council "for not crying out loud enough". Well, although the very same Canadian Welfare Council has cried out very loud and still does, the government remains unfeeling.

Another one, who made a splendid speech in 1964 as a member of parliament, is also a minister now.

The hon. member for Vancouver Centre (Mr. Basford) had said that—

> . . . in many areas in Canada there are nuclei of poverty where people derive very few advantages from the present social security legislation. "Within this affluent society we live in, when we have never had it so good, there is a group of people who are in dire need of government aid," . . .

He had made this statement before the Liberal National Council. He is a high official, Madam Speaker, who apparently would have a lot to say in the present Cabinet. What is poverty? Professor Gosselin answers:

> Poverty is the situation people are in when, owing to lack of resources, they cannot reasonably satisfy needs that are considered essential according to standards and values determined by the environment they live in. According to those standards, the needs and services regarded as necessary for a minimum decent life are not within the reach of the poor, are beyond their material circumstances and cannot be satisfied by the resources available to them.

That is a definition.

For the National Welfare Council . . . A poor family or individual is one who must spend more than 62 per cent of its or his income to meet its or his vital needs: food, housing and clothing.

I believe that this is also a very good definition of poverty. It is reported that 20 per cent of Canadian families and individuals are in that situation, Madam Speaker. This is why I agree with the motion of the New Democratic Party to request urgently not parsimoniously given measures, but effective measures to solve once and for all the problem of poverty.

In the report submitted recently by the National Welfare Council on poor children in Canada, it is said that, according to Statistics Canada following the 1971 census:

One quarter of all Canadian children (24.5%) are now living in poverty.

This situation has an impact on the whole development of the child, on all his education, on all his training. As concerns health, for instance, and I quote:

The implementation in Canada of the Health Insurance Plan in the 1960's aimed at giving the whole population of Canada access to medical services. Obviously, this goal has not yet been attained. One study entitled "Economic Class and Access to Physician Services under Public Medical Care Insurance", which examined the use of medical services in Saskatchewan between 1963 and 1968, concluded that:

"After six years of experience with a medical insurance system, low income classes still have less access to physician services."

Madam Speaker, we can see the same thing in the province of Quebec, without having to make an inquiry. You only have to visit any one of our hospitals to realize it. I quote:

Why? You cannot change old behaviour patterns overnight. If a mother must take her child to see the doctor and has to take a taxi to do so, the taxi will cost her something.

That is obvious. But if the mother is poor and has a low income, this becomes important.

She may also have to pay a babysitter.

And if the illness requires transport by ambulance, it is catastrophic because it is then very expensive and no public service, in the province of Quebec at least, pays for transport by ambulance. I quote further:

. . . If she sees the doctor, she will perhaps have drugs to pay for, because drugs are free for only a few people. Thus the so-called "free" access is not really free.

The sources of these health problems can be found even before birth: the child from a poor family has 50 per cent more chances to be born prematurely . . .

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member, but the time allocated to him is over.

[Mr. Laprise.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to advise the House of the questions to be raised tonight at the time of adjournment: the hon. member for York-Sunbury (Mr. Howie)—National Defence; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Prime Minister's office.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: Madam Speaker, I rise on a point of order not related to the present debate. I saw the Parliamentary Secretary to the Minister of Finance (Mr. Cullen) in deep consultation with the government House leader, who was going to come into the House at around five o'clock to make an announcement of interest. I wonder if he knows when the government House leader will be back, and can he give us any exciting forewarning of what he is going to say?

Mr. Cullen: Madam Speaker, my information is that the President of the Privy Council (Mr. Sharp) has played his usual statesmanlike role and accepted the suggestion of the hon. member, and that tomorrow we will be dealing with Bill C-50.

Mr. Baldwin: Further to the point of order, the only reason I rise again is to say that if more ministers were statesmanlike and accepted suggestions from this side of the House, this would be a better parliament. In addition, we might have to have an order of the House discharging the order for tomorrow and the days next week which are set down as allotted days. I assume the proposal would be that any consequential order of the House that is required to carry these proposals into effect would be made. As the matter now stands, there is set down on the order paper for Friday next, which is tomorrow, an allotted day, and also on Tuesday and Wednesday. I think part of the arrangement is that these days should not be allotted days, certainly not tomorrow. I think we would require an order to this effect before six o'clock. I may be wrong in that, but I assume it would be acceptable.

● (1710)

Mr. Turner (Ottawa-Carleton): Madam Speaker, I would think the hon. member's suggestion, in the present mood, would be acceptable. We would be willing to agree to an order of the House discharging the opposition day and deferring it to another day, provided we proceed with Bill C-50, the agricultural stabilization bill. If we finish that bill, we will be in a better position to advise the House on its business. In any event, we agree to that order of the House.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REQUEST FOR NEW BUDGET TO IMPROVE CANADIAN ECONOMY

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

That this House urges the government to introduce, within two weeks, a new budget, for the purpose of dealing with the increasingly dangerous state of the Canadian economy, and specifically to cope with mounting unemployment, the housing needs of our people, and the scourge of poverty.

The Acting Speaker (Mrs. Morin): I recognize the hon. member for Mississauga (Mr. Abbott).

Mr. Turner (Ottawa-Carleton): Madam Speaker, I rise on a point of order. I do not think our friend in the Creditiste party had finished what he wanted to say. Perhaps the House would give him a few minutes in order that he may complete his remarks.

[*Translation*]

Mr. Laprise: It seems to me I did not have much time available. I would have had many other things to say but I have been told that my time was over and I no longer have my notes.

Mr. Guay (St. Boniface): The minister says you may continue.

Mr. Laprise: I no longer have my notes, Madam Speaker.

[*English*]

Mr. A. C. Abbott (Mississauga): Madam Speaker, I think my notes have left too. However, I am pleased to be able to refer to notes of remarks made by my friend and colleague, the Minister of Finance (Mr. Turner), because I think they contain very largely they kind of answers we need to the problems this country faces, in spite of some comments to the contrary.

Mr. Stevens: What notes are those?

Mr. Abbott: Having regard to the motion proposed by the leader of the NDP, while I think the spirit in which he introduced it, with his manifest concern for the unfortunate in the country, was obviously sincere, I was disappointed that apart from venting his spleen he did not propose any formula that might be used to improve the financial conditions of the country.

An hon. Member: That is normal and has been the case since 1968.

Mr. Abbott: Right. He simply stood there and shouted in a loud voice that there were people suffering in poverty and the Minister of Finance had failed abjectly to meet the problems of this country. There was no suggestion whatever as to how he or his colleagues would deal with the situation. Their dwindling numbers in this House would give credence to the belief that the Canadian people got their message and found it wanting.

As to the hon. member for York-Simcoe (Mr. Stevens), he did make a few more substantive comments, but I would share the view of the Minister of Finance that by the cunning method of extracting quotations he attempted to persuade the House and the country that the cabinet is deeply divided and the Minister of Finance is engaged in a losing struggle with his colleagues.

Mr. Stevens: They were the minister's own words.

Mr. Turner (Ottawa-Carleton): Show me those words.

Mr. Abbott: I suggest that is almost as much wishful thinking as was his final cry, that the only solution was for the government to resign.

Some hon. Members: Hear, hear!

Mr. Abbott: I assure the hon. member that his cry was heard throughout the country last year, and a suitable response was given us on July 8.

Some hon. Members: Hear, hear!

An hon. Member: I am only surprised that the hon. member for York-Simcoe got back.

Mr. Abbott: That was an unpleasant surprise, but you can't win them all. I made reference to the comments of the Minister of Finance today and I should like to refer briefly to some words he delivered in a speech in Toronto not very long ago. These are brought to mind by the evident attitude of hon. members opposite, particularly the hon. member for York-Simcoe, which would seem to suggest or imply that Canada is an impoverished island in a sea of prosperity, with the rest of the world suffering none of the problems this country has. In fact, the opposite is true. The hon. member indicated that the unemployment rate in this country is 6.8 per cent, but he did not tell the House that the United States rate of unemployment is 8.5 per cent; that the unemployment rate in the state of Michigan is over 20 per cent and in Detroit it is 45 per cent. He does not tell us about those rates. Perhaps he does not know about them, or if he knows about them he is not prepared to tell us.

Mr. Stevens: What about Germany? Give us a few of the European unemployment rates.

Mr. Abbott: The minister, in his speech in Toronto, said:

The fact is, however, that the world is confronted by a series of complex and difficult problems without precedent in our history. Governments of many countries have joined together in an intensive effort to devise ways and means of overcoming the difficulties confronting them. But there are no easy answers and no instant solutions. Cosmetic politics should not be confused with effective leadership, nor should action just for the sake of "doing something". We shouldn't forget that in the uncertain situation facing us there is always the danger of doing the wrong thing, making our problems just that much worse. There are, for example, those today who seems to feel that this is a time for sacrifice and for donning sackcloth and ashes in pursuit of that old-time religion, as it has been referred to south of the border. That was the approach adopted by many governments but not in this country.

I suggest the Minister of Finance has disclosed to the House the extraordinarily serious difficulties faced by this country, both in his budget of November 18 and subsequently today. He has never failed to disclose frankly the

real problems that face Canada. The Minister of Finance has not tried to gloss over the problems we face and has not tried to suggest they are going to be cured by easy slogans or partisanship of the type demonstrated today by the hon. member for York-Simcoe.

I suggest that other voices have been heard, not his alone, such as the voice of the DECD which has forecast that the expansion in the Canadian economy this year will outstrip that of any other economy in the world. The fact is that reputable people in the business community such as Earle McLaughlin, president of the Royal Bank of Canada, have paid tribute to Canada's performance and its governmental policies. Let me refer to what Mr. McLaughlin has stated. He said that the success can be attributed to the avoidance of economically crippling price and wage controls, the adoption of a deliberate policy of encouraging increased supply to combat inflation, increased output of employment through tax cuts and other incentives aimed at encouraging expanded business capital investment, the maintenance of a reasonably accommodating monetary policy which forestalled the severe credit experienced south of the border, and the maintenance since 1970 of a floating exchange rate.

This is in very real contrast to the comments we heard today by the hon. member for York-Simcoe. In spite of the problems this country faces, more responsible observers have acknowledged the fact that there is no country in the world today whose finances are better managed. The question is not whether the economy is in the strongest possible shape. We are not suggesting today that expenditures have not risen at a very high rate both in government and elsewhere. We are not implying that there are not problems and we are not suggesting that everything that has been done by this government is perfect.

In the area of housing, I hope that in future budgets there will be steps taken that are urgently required to stimulate the housing market in this country. In fact, I hope measures are taken to stimulate the housing market prior to any future budget. The hon. member for York-Simcoe referred to a $500 million cut in taxes and suggested that that had been recommended by his party. Where were his recommendations during the last election? All we had during the last election were recommendations that the country be placed in a straitjacket, that tight monetary policies be enacted, that the budget be balanced and that there be consumer credit and wage and price controls. This was rejected. The circumstances have changed, and of course the wise and perceptive critics—they certainly are experienced critics—of the opposition have decided that new policies are in order and are attempting to suggest they have already recommended those policies even though the reverse is true.

● (1720)

Mr. Stevens: Stick to the facts.

Mr. Abbott: I am not so sure my hon. friend would recognize facts. The fact is that in 1974, in the first three quarters of the year the disposable income of the average Canadian, income after the payment of direct taxes and after dealing with the impact of inflation, was 4.8 per cent over the level of the year before, in contrast to a decline in the United States. This is a fact.

[Mr. Abbott.]

Mr. Stevens: How about the last quarter?

Mr. Abbott: How about the last quarter in the United States? The point is that relative to the whole industrial world, Canada has out-performed those countries and is being better managed by this government.

An hon. Member: Balderdash.

Mr. Abbott: Madam Speaker, I know there are other members of the opposition who are anxious to tell us what is wrong with the country. I do not wish to take up their time. All I shall say is that the country at large, the international community and almost every sound and sensible observer does not agree with the hon. member for York-Simcoe that our Minister of Finance lacks clout.

Mr. David Orlikow (Winnipeg North): Madam Speaker, I listened with a great deal of interest to the Minister of Finance (Mr. Turner). It seemed to me he said exactly three things. First, he said this country is doing all right. The last speaker said the same thing. Second, he said we are doing better than most other countries. Third, he stated that we will do even better late in 1975 when the United States recession bottoms out. He brought forward as authority for that opinion the Secretary of the Treasury of the United States, William Simon, with whom he has been meeting during the last couple of days.

Let us consider the three arguments the minister has propounded. He said that, really, we are doing all right and that things are going relative well. When the minister says we are doing all right, what does he mean? The facts are that there are well over 600,000 unemployed this month and that the real rate of unemployment in this country is over 8 per cent. The seasonally adjusted rate of unemployment for February was 6.7 per cent, one of the highest unemployment rates we have had since the end of World War II.

When the minister introduced his budget last November he predicted that Canada would have a growth rate of from 4 per cent to 5 per cent in 1975. The fact, as we predicted at that time, is the recession which the United States was into last November has since turned into a real depression and has totally destroyed the unrealistic prediction the minister made as to our growth for 1975.

On March 5, 1975, the Toronto *Globe and Mail* reported that Canada's gross national product, discounting the effects of higher prices, grew only by 3.7 per cent in 1974 according to figures prepared by Statistics Canada. That might be compared with a real growth of 6.8 per cent in 1973, a 5.8 per cent increase in GNP in 1972, and a 5.6 per cent increase in 1971. In other words, in 1974 we had one of the lowest growth rates we have had for many years. What makes this even worse is that the GNP for the fourth quarter, on a seasonally adjusted basis, was up by only .7 per cent—less than 1 per cent. In terms of real growth, the quarter dropped by 1.3 per cent compared with the preceding quarter. This marked the sharpest quarterly decline since the recession of 1960 and 1961.

After a strong first quarter and no growth in the second and third, the economy was operating in the fourth quarter at about the same level as in the fourth quarter of 1973. Those are the facts. This country is in real difficulty. The

minister argued that we are doing better than most countries. The real question in fact is, are we really doing better than other countries and are we doing as well as we can in a country as wealthy as Canada? No other country in the western industrial world except the United States has as high a rate of unemployment as Canada. As I indicated last month, the seasonally adjusted rate of unemployment was 6.7 per cent, a real rate of 8 per cent. There is hardly a country in the western industrial world which has a rate of unemployment even half that of Canada except the United States.

The minister has opposed the idea of having a more expansionary budget by arguing that the proposals made by the NDP, by many economists in the business sector of this country and by academic and labour economists would supposedly further fuel inflation. One would think we were speaking of a country in which there is no real inflation. In fact, we have had the highest rate of unemployment in the last six months that this country has seen in many years, and we had an inflationary rate last year of almost 12 per cent. The minister rejected any proposal to expand the economy because he felt he must deal with inflation, but he has not done this.

The minister speaks of the programs the government has initiated to help the needy. The fact is that the 12 per cent inflation in the last year has been particularly difficult for people in the lower income brackets because the inflationary rate for them is substantially more than 12 per cent, since they spend the bulk of their income on the basic necessities of life such as food, the cost of which is up probably 18 per cent, and shelter and fuel which have gone up more than 12 per cent. Another point we must keep in mind is that all the programs of the Liberal government in respect of redistributing wealth in this country have had absolutely no effect.

● (1730)

According to figures released by Statistics Canada, in 1957 the lowest fifth of the income earners in this country received only 4.2 per cent of the gross national product. The highest fifth received 41.4 per cent of the total production. The last year for which I have figures shows that the lowest fifth of the people in 1971 received less than they received in 1957. They received only 3.6 per cent of the total production of this country, while the highest fifth received 43 per cent. In other words the poor became relatively poorer in the years from 1957 to 1971, while the upper fifth, the rich, became richer.

Senator Croll's poverty committee, certainly no flaming, wild eyed group of radicals—no socialists there—has estimated that in 1973 the poverty line for a family of four was $6,990. A very large percentage of the people in Canada, 25 per cent or more, earn less than that, and that is the situation we face.

My colleague, the hon. member for Oshawa-Whitby (Mr. Broadbent), referred to the study released a few days ago by the National Council on Welfare, a body established by this government, which has its offices in a government building. In a report which was issued last week entitled "Poor Kids" it estimates that out of 6,750,000 children under the age of 16, 1,650,000,or 24.5 per cent, are living in poverty. That is the situation which the Minister of Finance and other Liberals tell us is satisfactory and adequate, and say that we have never had it so good.

Mr. Cullen: Who said that?

Mr. Orlikow: The minister told us that we were doing as well as we could do.

Mr. Cullen: He didn't say that.

Mr. Orlikow: That was the whole tenor of this argument.

Mr. Cullen: You weren't listening.

Mr. Orlikow: Of course I was listening. If hon. members do not like the facts I extrapolate and the observations I make, I am sorry. The facts are there. I did not make the calculations. I did not appoint the National Council on Welfare. That council says 24.5 per cent of the children in this country are living in poverty. I say that that is a disgrace. I say that the government could have, and should have taken steps to change that situation.

The last argument the minister made was that we really did not need an expansionary budget, and we should not be so concerned because our economy is tied to the United States—that is true, unfortunately—and that the United States economy will begin to improve in the last quarter of 1975. That assumption has been challenged by almost every economist in the United States—not radical economists, not socialist economists, but economists such as John Kenneth Galbraith, Paul Samuelson and Arthur Okun, economists who have worked for United States governments, who say that not only is the United States faced with a recession at the present time, but that in fact the United States is into a depression the like of which it has not seen since the 1930's.

Unemployment in the United States is higher than in Canada; 8.2 per cent of American workers are unemployed. That figure is higher than President Ford's economic adviser, Mr. Greenspan, estimated it would be two months ago. Very good and cautious economists in the United States are estimating that the unemployment rate will, in all likelihood, go over 9 per cent, and possibly approach 10 per cent. We have a situation in the United States where President Ford, an economic conservative for all his political life, which goes back more than a quarter of a century, faced by the extremely difficult situation in the United States, has proposed tax cuts which would mean a deficit of $20 billion. That proposal has been rejected, not just by the Democratic majorities in the House of Representatives and the Senate, but it has also been rejected as being too little and too late by the economists whom I have already mentioned—by J. K. Galbraith, Paul Samuelson and Arthur Okun, who have argued that what the United States needs in order to get people back to work is a budget deficit of $50 billion in 1975.

That is the kind of proposal we have made and we are making again today. We have argued that this country does not need to have an unemployment rate of 6.7 per cent seasonally adjusted—8.2 per cent in real figures—that this country does not need to have nearly three quarters of a million people unemployed, and that this country has the resources to put people back to work. How can that be

done? It can be done by a tax cut—but not the kind of tax cut the minister implemented, which has meant for people in the middle and upper income brackets a cut of from $500 to $750 a year—those are not the people who need the tax cut. People earning $20,000 to $30,000 per year do not need a tax cut, because if those people are given a tax cut they are likely to save the money.

We need a tax cut for people in the lower income brackets who, when faced with the 12 per cent increase in the cost of living last year, and probably as much in 1975, have had to cut their standard of living, have had to cut back on the kind of food they buy, and on the purchase of homes and automobiles. We need a tax cut for the kind of people for whom the minister's tax cut has meant a tax benefit of $150 a year. We need a tax credit for people whose incomes are so low that they do not pay income tax.

Instead we have had tax cuts, not just of $750 in income tax for those in the middle and upper income brackets, but larger tax cuts through the kind of provision for not paying taxes on up to $1,000 in income earned from investments, stocks, savings bonds and so on, and we have had tax exemptions for people putting $1,000 a year into saving toward buying a house. Those are not the people who need the tax cuts. People at the bottom need tax cuts. They also need government programs of expansion.

The Minister of Finance and the Minister of State for Urban Affairs (Mr. Danson) have talked about a goal of building 210,000 housing units this year, when there are tens of thousands of people in the lower income brackets still living in housing which, in the year 1975, is a disgrace. We talk about 210,000 housing units when we have tens of thousands of people in the lumber industry in British Columbia, Ontario and the maritime provinces who are unemployed because we are not building enough houses.

● (1740)

Mr. Cullen: Madam Speaker, would the hon. member permit a question?

The Acting Speaker (Mrs. Morin): Will the hon. member for Winnipeg North (Mr. Orlikow) allow a question?

Mr. Orlikow: Yes, Madam Speaker.

Mr. Cullen: Is the hon. member suggesting that the market in Canada could meet all the requirements about which he is talking? Would he not be prepared to concede that it is the American market that is in a slump, and that most of the jobs that have been created are due to that particular market?

Mr. Orlikow: Of course I am not suggesting that the Canadian housing market, even at our suggested level of 400,000 units, could put all the people back to work. But a hell of a lot of them would be put back to work if we were building 400,000 units. What bothers me is not just that the minister's objective is too low but that we are not coming anywhere near it. The number of housing starts in February was down by 44 per cent from the same month in 1974. If the number for last February were projected over 1975 it would not produce 210,000 homes but 157,000.

[Mr. Orlikow.]

Mr. Guay (St. Boniface): We can pass the bill that is in front of the House.

Mr. Orlikow: The bill before the House will not build a home, and the hon. member for St. Boniface (Mr. Guay) should know that. What will build homes is a reduction in interest rates on mortgages, with no further incentives to the mortgage companies and banks. What will provide housing units is a real federal program for building public housing.

Mr. Guay (St. Boniface): Also provincial.

Mr. Orlikow: We must build public housing for those people who need it. The money allocated for public housing by the Minister of Finance and the Minister of State for Urban Affairs for 1975 is down in every province, including Manitoba. I want to tell the hon. member for St. Boniface that the amount of money to be provided for public housing in Manitoba by the federal government in 1975 is down $1 million from the amount provided in 1974.

Mr. Guay (St. Boniface): I hope they use it all.

Mr. Orlikow: They have always used it all. We need a program to provide houses for people who are really in need, not a program to encourage the few people on the fringe, which is what AHOP will do. We need a government program with government money put into building homes. Where will that money come from, Madam Speaker? The savings of the Canadian people have never been as high as in the last year. Banks, mortgage companies and trust companies all have more money than they ever had before, Madam Speaker.

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

Mr. Orlikow: I wonder if I could have one more minute, Madam Speaker.

The Acting Speaker (Mrs. Morin): Is there agreement for the hon. member to finish his remarks?

Some hon. Members: Agreed.

Mr. Orlikow: Thank you, Madam Speaker. What we need is a government with the courage to say to the banks, insurance companies and trust companies that a substantial percentage of the money they have should be directed to building housing units—not housing for the wealthy as in the past, but housing for families whose income is anywhere from $4,000 to $10,000. These are the kind of people who need it. Every program developed by Liberal and Conservative governments in the last 25 years simply has not been able to provide rental accommodation or homes to meet their needs. This country can afford it, and this government should do it.

Miss Flora MacDonald (Kingston and the Islands): Madam Speaker, it has been reiterated more than once in this debate that the Canadian economy is in an increasingly dangerous state. All the major social and economic indicators draw attention to this fact. We see unemployment and inflation escalate month by month, while the

gross national product declines and housing starts drop drastically.

The figures need no further repetition. Unfortunately they are only too well known. Housing is one of the most crucial problems in Canada today. In the past few years Canadians realized that there was a problem in housing, but today that problem has become an emergency. It is an emergency because the construction industry, one of the foundation blocks on which the economy of this country is based, is in serious trouble. The signs are evident, and one of the most evident is the fact that today there are well over 200,000 fewer people employed in the construction industry than there were a year ago. Last year the industry contributed $21 billion to the gross national product—15 per cent of our gross national product. Now it is declining, and the multiplier effect of that decline on the ancillary industries related to construction, forestry, textile, furniture, plastics, while incalculable, is certain.

The perilous state of residential construction has serious economic consequences. It has, as well, serious social consequences. Hundreds of thousands of Canadians do not have adequate shelter today. And of those who do, millions are being faced with having to spend an inordinate portion of their income on shelter with incredible repercussions on their ability to meet other necessities of life—food, and clothing.

Housing is not a statistical or physical phenomenon. It is a human problem. Just as the construction industry permeates the whole of our economy, the housing crisis permeates the whole of our social fabric. Substandard, inadequate housing for many Canadians breeds social unrest, tensions, and social problems that cannot be calculated in dollar terms or numerical projections. Yet the government continues to treat housing as a fiscal tool to manipulate the economy without any regard to the social aspects.

We have heard a good deal, both in this House and outside, from the Minister of State for Urban Affairs (Mr. Danson) and the Minister of Finance (Mr. Turner) about government programs to deal with the problems of the economy, particularly of housing. The Minister of Finance has implemented measures which he claims will stimulate the economy through increased activity in the construction sector.

● (1750)

The Minister of State for Urban Affairs has placed great faith in the amendments to the National Housing Act, and thinks these will be instrumental in providing for many new housing starts this year. Let us look at his predictions and see how close they are to being on target. The Conference Board of Canada and the Economic Council of Canada have estimated that 250,000 housing starts are needed this year to meet present requirements. They are needed not to improve shelter for Canadians; they are needed to maintain their shelter at present standards. The minister has repeatedly stated that his target is not the 250,000 new units advocated by others, but only 210,000 housing starts. The minister said to his provincial counterparts, and I quote:

It is evident we will need at least 210,000 starts in 1975. If we can hit that mark we will head off any serious deterioration of housing conditions and, at the same time, give the general economy a good shot in the arm.

An hon. Member: That is a minimum target.

Miss MacDonald (Kingston and the Islands): That is a minimum target. We should be happy if that figure represented the minimum in housing starts. But what do we find? We find, one month after the minister made that statement, that housing starts for February were down by 44 per cent, and that the projected or seasonally adjusted rate indicates housing starts for this year totalling 156,000, not 210,000.

An hon. Member: But February is a bad month for construction.

Miss MacDonald (Kingston and the Islands): For the benefit of the parliamentary secretary, let me point out that the projected figure shows that we shall see 54,000 fewer starts than the number the minister accepts as a minimum.

An hon. Member: But February is a poor house building month.

Miss MacDonald (Kingston and the Islands): The number of projected starts falls 100,000 short of the minimum target set by the Conference Board of Canada and the Economic Council of Canada. Think what that shortfall will mean in terms of fewer jobs, less consumer spending, and lack of buoyancy in the economy. Yet the minister talks about what the proposed amendments will mean for the economy. When asked in committee the other night their meaning in concrete terms, he said the government's housing program when fully in operation—he was speaking of AHOP and the limited dividend assistance program—would be instrumental in creating an additional 33,000 starts. Even if we accept that figure, and I question the minister's figures, and add the 33,000 starts to the 156,000 already projected, we shall still not build enough homes to meet the demand in 1975. May I call it six o'clock?

THE ROYAL ASSENT

[*English*]

Mr. Speaker: I have the honour to inform the House that a communication has been received from Government House which is as follows:

Ottawa, March 13, 1975

Sir,

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 13th March, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant
André Garneau
Brigadier General
Administrative Secretary to
the Governor General

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

● (1800)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-49, An Act to amend the statute law relating to income tax.—Chapter No. 26.

Bill S-6, An Act to amend the Canadian Wheat Board Act.—Chapter No. 27.

Bill C-51, An Act to increase the representation of the Northwest Territories in the House of Commons and to establish a commission to readjust the electoral boundaries of the Northwest Territories.—Chapter No. 28.

Bill C-228, An Act respecting the Electoral Boundaries Readjustment Act.—Chapter No. 29.

Bill C-229, An Act respecting the Electoral Boundaries Readjustment Act.—Chapter No. 30.

Bill C-365, An Act respecting the Electoral Boundaries Readjustment Act.—Chapter No. 31.

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

At 6:08 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REQUEST FOR NEW BUDGET TO IMPROVE CANADIAN ECONOMY

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

That this House urges the government to introduce, within two weeks, a new budget, for the purpose of dealing with the increasingly dangerous state of the Canadian economy, and specifically to cope with mounting unemployment, the housing needs of our people, and the scourge of poverty.

[Mr. Speaker.]

Miss Flora MacDonald (Kingston and the Islands): Madam Speaker, before the House rose for dinner I was pointing out that whereas the Conference Board of Canada and the Economic Council had expressed the view that 250,000 housing starts would be needed this year if we were to meet the demand in 1975, and whereas the minister himself had set 210,000 housing starts as his minimum target, figures for the first two months of 1975, seasonally adjusted, indicate a rate of 156,000 housing starts this year. This is, 54,000 housing starts below the minister's minimum target rate, and almost 100,000 starts below the minimum target rate set by the Conference Board and by the Economic Council.

What does this mean in terms of fewer job opportunities, reduced consumer spending and lack of buoyancy in the economy? To take the minister's own figures, his programs of AHOP and LD assistance will create 33,000 starts. His own optimistic prediction was that overall 210,000 starts would be achieved. We have already been given one set of figures which seem to be widely off base, and I suggest we should approach even those figures with caution. Moreover, direct AHOP funding was already in operation during the last quarter of 1974 when housing starts began to drop drastically. Even allowing for the minister's statement that AHOP was so successful that the funds dried up in October of 1974 and that new moneys were not available until the 1975 calendar year, we are looking at a 49 per cent drop in housing starts by comparison with January, 1974, and a further 44 per cent drop in starts for February, 1975 over February, 1974.

I think it is time we were given some honest answers by the government, an honest assessment of the proportions of the housing crisis and the importance attached to it on the other side of the House. We, on this side, are tired of the juggling of figures, the attempts to cover up the facts, the reliance on rhetoric to confuse the public, and the reliance on prayers to produce solutions.

No better example could be given of the minister's attempts to confuse the issue than his reply to my inquiry as to whether or not the increase of 12½ per cent in the capital budget of the CMHC was an indication of the importance the government attaches to the housing crisis. I was referring to an increase of 12½ per cent in housing at a time when overall government expenditures had soared by an alarming 28 per cent. The minister answered that non-budgetary expenditures, by which I presume he meant non-capital expenditures, were up by 66 per cent, offering great assistance to Canadians in the lower earnings brackets. The minister knows very well that these budgetary items which have increased by 66 per cent, and I can list them—housing research, sewage treatment, operating costs of present programs and losses resulting from operating public housing—do nothing to stimulate construction. They do not build one single house, create one single job, or stimulate the economy in any way.

My hon. friend from York-Simcoe has drawn attention to the extent of the increase in the government's estimates for the coming fiscal year—an increase of 28 per cent. Compare this with the increase in the capital budget of the CMHC. The 12½ increase in the CMHC budget is equal only to the present rate of inflation. The corporation's capital budget, the $1.4 billion which does stimulate

housing construction, which does generate housing starts, remains in real terms static.

Why cannot the government rearrange its expenditures so as to give housing at least the same priority as it accords to other sectors of the economy? The capital budget of CMHC does not represent money lost. It is not a grant. It constitutes loans, moneys which are recoverable for the most part, moneys which can create a capital flow throughout our floundering economy at little cost to the government.

We have been talking about fiscal restraint, and we shall continue to do so. Surely the Minister of Finance can reconcile fiscal restraint with a readjustment of the government's spending policy in order to ensure that housing needs are met. Housing, unfortunately, is somewhere near the bottom of the government's list of priorities. What is badly needed is a reorganization of those spending priorities. Housing is one of the most critical sectors of the economy, and as such deserves greater consideration. The issue is not one of increases in spending. The issue is one of priorities in spending. Obviously, the government does not see housing as a priority, and we on this side do.

I wish to make a few more comments about the capital budget of the CMHC. Over the past four years the policies and programs incorporated in its budget have encouraged provincial and municipal governments to gear up their housing component to take advantage of federal-provincial sharing programs for social housing. All across this country there are projects and programs that are ready to get under way, that have been carefully prepared over the past few years in response to initiatives on the part of the federal government. Provinces have set up mechanisms and have adjusted their own priorities to take advantage of federal government participation in this sphere, in expectation that the federal government would continue to honour the commitment it had initiated.

● (2010)

Suddenly these initiatives have been curtailed. On January 30, when the provincial housing ministers met in Ottawa with the minister for urban affairs, they indicated they had take-up capacity for $400 million in new residential housing. What was the federal government's response? It was to reduce the allocation to the provinces for social housing from 24 per cent to 22 per cent. These co-operative programs with the provinces and municipalities are being curtailed to make way for the unilateral housing programs of the federal government, programs such as AHOP. The centralizing tendencies of the government are becoming increasingly apparent in the field of housing.

In addition, the capital budget of CMHC is making possible another policy change. Aid to the lower income groups, once the main beneficiaries of social housing, is now being directed to moderate or middle income groups through such programs as AHOP. More than 50 per cent of the CMHC budget now goes for AHOP or limited dividend programs, program directly controlled by the federal government, and which benefit moderate income groups. This shift in emphasis is of real concern not only because people who are desperate for housing are not receiving the assistance they require, but because major shifts in policy can take place via the CMHC capital budget. It is this capital budget that determines housing policy, yet it never comes before parliament for debate. It never comes before committee for study. It is presented to this House and to the country as a *fait accompli.*

We are talking about a sum of $1.4 billion. Surely parliament should have the opportunity to scrutinize this sum. Such scrutiny is the basic principle on which this House has been founded, even though members opposite have done virtually everything in their power to erode this right.

The CMHC budget itself has not increased in real growth terms, but the number of programs operating under its budget have increased. The pie is the same, but the slices are thinner. And the thinnest slices are being dished out to the social housing component, the real poor, the senior citizens and the handicapped. Are we to see a continuation of this policy in years to come? Are the provinces and municipalities to be ignored, and perhaps misled, because more and more of the capital budget and decision making will be directly under the control of the president of CMHC?

The Minister of State for Urban Affairs has placed great emphasis on the results the amendments to the National Housing Act will produce for housing. Yet what guarantee have we that these programs will work? I suggest none. What reliable figures can the minister give us indicating that his new programs will be any more successful than earlier programs? The minister confidently predicts that 12,000 new starts will be created by his indirect AHOP program, yet he can produce no certain figure or guarantee that the private lending sector is going to come forth with the $1 billion on which he is counting.

An hon. Member: Billion?

Miss MacDonald (Kingston and the Islands): That is what I said, billion. There are several steps which the government could take immediately to stimulate the sagging construction industry and to provide badly needed housing. First and most important, it could reorganize its expenditure program so that housing is given much higher priority than now is accorded it. Secondly, it could remove the remaining 5 per cent sales tax on building materials. The government took a half measure at the time of the November budget. Surely now it could go all the way, ensuring savings of some $380 million, savings that given a proper monitoring mechanism, could be passed on to the home buyer. Thirdly, it could make a proportionate amount of municipal property tax and mortgage interest payments deductible from the federal taxable income of home owners. I suggest that these steps would be a beginning in tackling the problems of high interest rates, high land costs, and high house prices, problems that the government seems content to ignore.

Hon. Barney Danson (Minister of State for Urban Affairs): Madam Speaker, I listened with interest to the hon. member for Kingston and the Islands (Miss MacDonald) and her overview of the housing situation as she sees it. I also wish that the proposed solutions were that easy.

I have said in the House before, and I repeat now, that Canadians are among the best housed people in the world,

and I do not think anyone has denied that. Our record over the past several years in providing housing of all kinds for Canadians at all income levels has never been surpassed, and we have no intention now of allowing unfavourable economic circumstances to do serious damage to our efforts to give all Canadians access to decent housing.

This government year after year has consistently put more and more money into housing. It has broken records each and every year up until last year, when economic circumstances in Canada, indeed around the world, caused much sharper drops. This gives us little consolation, but compared with our neighbour to the south our production is at least double on a per capita basis. This is little satisfaction to me as minister responsible, but at least it is some measure of the commitment that the government has consistently undertaken year after year to produce a record number of good houses for Canadians in all income groups.

Although it is true that housing starts last year dropped by 17 per cent from the previous year to 220,000 units, this was largely due to inflationary pressures that affected the economies of all countries. We should not lose sight of the fact that housing completions last year were the highest in Canada's history, totalling 255,000, and this number represents units that were ready for immediate occupancy.

The lag in starts in the second half of 1974 has continued into this year, and it is essential that quick starts be emphasized so that the critical rate of completions can be maintained into 1976. Measures which I will presently outline are designed specifically to achieve that objective. We have established a minimum floor—not a target but a minimum floor—of 210,000 starts for 1975, and that volume of new housing construction can be reached through the implementation of programs now in effect as well as those awaiting passage through the House.

● (2020)

It is true, as my hon. friend has said, that the rate of starts for February was at an annual rate of 156,000. That is a discouraging rate, but one which we are determined to overcome. If we are talking about the percentage drop from last year then it is dramatic, some 47 per cent. I think my hon. friend said 49 per cent, but we will not argue about those two percentage points although they are important to those who need housing. We are talking of a year ago when we had starts at an all time record level.

My hon. friend also indicated that AHOP and Limited Dividend would only provide for the construction of about 333,000 units, but this is not the only program. We also have non-profit housing, co-operative housing, public housing of various types and senior citizen housing. These units continue to be built, and are on top of those figures. It must be admitted that in this country, while CMHC represents a major and strategic factor in the housing market, the houses are to a large degree built by the private sector and private builders, and we supplement that by especially looking after those who have difficulty in finding housing in that market.

The government is not the only segment in the housing market by a long shot. The capital budget of CMHC has been increased to over $1.4 billion. This represents a 16 per cent increase over commitments made in 1974. It is 12.5 per cent in budgetary terms, but actually it is a 16 per cent increase in expenditure. My hon. friend says that these are just loans so it does not cost anyone anything. First of all, I am sure she knows that much is subsidized and a lot is forgiven, and this still is money, even though it is in the form of loans, and it has to come out of the pockets of the taxpayers of Canada. That is why, in addition to the budget, these measures before the House are expected to attract at least the $1 billion, which my hon. friend spoke about, of new private capital into the housing market.

The hon. member asks for a guarantee, but there is no guarantee. There is an indication from lenders in the private sector, to whom I and my officials have spoken, that there is no doubt that more than that is available, but I think we could term that a conservative estimate. These measures are certainly being examined by the committee when the estimates are being dealt with, and at every stage when estimates are dealt with in the House.

In addition to the capital budget, CMHC expenditures in subsidies and other contributions are estimated at more than $276 million for this year, an increase of more than 92 per cent. There was some confusion, and I believe my hon. friend referred to 66 per cent. The figure is 92 per cent over the amount that was spent last year for these expenditures. That figure alone provides an accurate picture of the priority this government is giving to housing this year.

I would like to summarize the measures taken since last fall to stimulate the production of housing while assisting Canadians in obtaining the shelter they require. I feel there is every reason for confidence that the housing industry will be rejuvenated this year. The decline in interest rates is an important factor, but there are three other principle reasons for optimism.

These reasons are the measures contained in the budget brought down last fall by the Minister of Finance (Mr. Turner) to assist the housing industry, the highly encouraging response to programs introduced last year through CMHC, and amendments to the National Housing Act now before the House and the standing committee.

In the budget the Minister of Finance eliminated the sales tax on construction equipment and on materials used in municipal water distribution systems. The sales tax on building materials was reduced from 11 per cent to 5 per cent which, I am sure, decreases the government revenue to the extent of some $460 million. The budget restored capital cost allowances for a year on new multiple-unit residential buildings for rental accommodation, and introduced the registered home ownership program to help people put together more quickly the money needed for a down payment on a home.

Bill C-46, which is before the committee now, contains a proposal to extend the assisted home ownership program to provide up to $600 yearly in interest reducing grants to buyers of new homes who meet all the qualifications of AHOP assistance and who obtain a loan from an approved lender.

The purpose of these grants is to bring the monthly payments of home buyers within a reasonable proportion of their income. I do not think hon. members fully realize the tremendous success of AHOP last year. It provided $450 million in loans to 20,000 families of low income for

the purchase of homes, and this success has produced a demand for more funds than the government can be expected to provide. This is why we are seeking private capital to enlarge the program.

We are making interest-reducing grants available to owners or builders of rental accommodation who arrange an NHA insured loan with an approved lender, with the stipulation that the entrepreneurs enter an agreement with CMHC to maintain rents at an approved level for at least five and up to 15 years.

We are providing further assistance to non-profit and co-operative housing projects by allowing CMHC to buy the land on which they will be built, and then lease it back to them at a low rate. At the present time there is a 10 per cent forgiveness provision on the total loan to provide for the purchase of land. In some cases of high land costs that is simply not sufficient, so non-profit and co-operative groups are given the option of having CMHC purchase the land for them and leasing it back at a rate which will allow them to provide economic rents.

We are also extending the life of the federal sewerage assistance program. My hon. friend suggests that this does not help to build homes, but I do not know how we can build homes without this. I realize that sewers are not glamorous, but they are terribly important if you want to build homes, and especially if you want homes with toilets. We must keep up with this program.

Bill C-46 also proposes extra help to municipalities where per capita costs for sewage works is very high because of the size of the community or difficult or rocky terrain making construction costs unusually high. There are many other measures. CMHC has just offered loans amounting to $200 million at 8 per cent interest to builders in critical market areas who are prepared to act immediately in creating good family rental housing for people of modest incomes, at rents to be agreed upon with CMHC. I have no doubt that this program will prove as instantly popular as a similar program last year budgeted at only $58 million, but which could have used substantially more funds to meet the demand. We have tried this program and we have seen that it works well, so we are building upon success in each case.

There is also a $500 grant available to first time purchasers of moderately priced new homes. By the end of February CMHC had already sent out $3 million in cheques to some 6,000 new home buyers, and many more are being processed each day at CMHC offices across the country.

The cabinet recently extended Section 44 of the National Housing Act to give rent subsidies to as much as 25 per cent of the units in non-profit and co-operative housing. This is really getting to the people in the lower income groups, and also reinforces our determination not to repeat the mistakes of the past, which were made with good intentions to provide the lowest possible cost housing for the very low income people. This is to prevent the ghettoization of these projects and the institutionalization of poverty. It is to make certain that wherever government assistance is given there will be a proper socio-economic mix. We are getting to the low income people, but not by putting signs on them telling the world they are low income people. If the opposition would have the kinds of programs which label the people "poor" then they can have them, but we will maintain the dignity of those people who benefit from our assistance.

When I met with the provincial ministers at the end of January of this year I listened to their stories. I have had additional discussions with them, and I am certainly prepared to show some flexibility in trying to achieve those goals we all consider important in helping to provide housing for low income Canadians. It is not our intention to be immodest, but government programs are going well and we are getting quicker starts for family and low income accommodation. I understand their concern as they understand mine. So long as we can see our priorities together and perhaps make a readjustment, much will be done. These are the measures that have been taken or are proposed to stimulate the housing industry and to give many thousands more Canadians access to the accommodation they require.

● (2030)

I might mention that we are not only interested in the production of houses but in their quality as well. I have announced a warranty system regarding the quality of a house and its continued performance over a reasonable period of time to protect home buyers. A meeting will be held early in April with representatives of provincial governments, builders, consumers, lenders, and other interested parties to consider the proposal, which is already agreed upon in principle.

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In addition, I know that there are many innovative ideas and approaches that could provide a better quality of life within Canadian communities but that have not been tried on a large scale basis because of the cost. This is very important, because in setting up new financial measures I think my hon. friends will agree that it is important to improve the quality, to devise new and better building systems, and to devise better types of communities for Canadians to live in. It is simply not enough to put up the accommodation. It must be attractive accommodation. It must be on a human scale. It must relate to human needs.

In order to test new and different ideas in community building, CMHC is committed to a series of demonstration projects across the country. These will not be scale models, they will not be toys, but will be living communities of balanced socio-economic dimensions in which people will live and work. They should be instrumental in producing a blueprint for the future, but it will be far more than a blueprint. It will add to the housing starts in attractive ways with technology, planning, and a social approach which can be duplicated elsewhere. I am sure there will be mistakes but we will learn from those mistakes. I hope that in any program with which I am associated we will be prepared to take those chances, and be prepared to make mistakes in seeking better methods and better housing for Canadians.

The measures and proposals that I have outlined tonight have an enormous potential for housing in Canada. It is vital to their success that they be made effective efficiently and with dispatch. Recognizing this, CMHC has moved toward operational decentralization so that effective action can be taken at the local level, where the need exists. This is not an easy and simple process but is taking

place deliberately with planning and with experimentation, so that the highly qualified regional managers have a greater degree of autonomy and are tuned in better to the local situation and the local government because we are regionalized on a provincial basis now. They will be especially sensitive to the needs of the locality while bearing in mind the national objectives at all times.

I think hon. members will agree that we are meeting the housing challenge in Canada with realistic and progressive action. We cannot overlook the problems presented by world wide economic conditions, but we are determined that Canada's housing production keeps pace with our needs. We are concentrating on those programs which produce the quick starts. We have asked our provincial partners to take up these programs, and the funding that is available to them, and to accelerate this so that we get these starts and provide not only employment but the homes that are needed this year.

We know the problem is not an easy one to resolve under present economic circumstances but I assure you, Madam Speaker, we are facing up to the times and will not be found wanting.

Hon. Robert L. Stanfield (Leader of the Opposition): Madam Speaker, I wish to participate in this debate as briefly as I can because I know there is limited time and quite a number of members of the House wish to participate. I shall say very little about housing not because it is unimportant but because, quite frankly, since I have watched the way successive ministers of finance have opposed any reduction in the building tax year after year and have seen their sudden reversal when they find it politically expedient to do so, I find it difficult to take this government at all seriously in the area of housing.

May I say that it is reassuring these days to feel that the members who sit to my left who have sponsored today's motion are once again in the ranks of the opposition. I do not wish to prolong this beyond saying that I look forward to an allotted non-confidence motion by the NDP representatives in the House some day. In my time here I have seen the NDP use non-confidence motions when the government was in a majority, ostensibly to make parliament work. I have also seen them not use them during a period when they had the balance of power. In that demimonde of minority they said they did not use them on those occasions allotted to them in order to make parliament work. Without being argumentative or controversial I can only gather than the NDP logic is as much a matter of convenience as NDP principle.

This evening we are not asked to vote on the proposition put before us, so we are not obliged to take a hard and fast position on the specific request for the introduction of a new budget by the Minister of Finance (Mr. Turner) within two weeks. I am not prepared to say that anything quite so simple as a new budget, with new spending programs, is the key to improvement of our economy, particularly an improvement which can be substained. At the same time I certainly sense the frustrations spreading around the country concerning the government's inaction. For example, I listened to the Minister of Finance this afternoon. He said they are waiting to see what will happen in respect of the United States economy. He heard a prediction from the United States Secretary of the Treasury that things might turn upward in the United States in the fourth quarter.

It is impossible to find out how long the Minister of Finance will wait before he can really see the future with enough confidence to act. I doubt very much whether the Canadian people are very happy to float along in the meantime.

We have the statement that during 1974 the Canadian economy grew at a rate of 3.7 per cent. I refer to the GNP. As a matter of fact the GNP was little if any higher at the end of 1974 than at the commencement of 1974. It is merely the way in which the government brings forward statistics that suggests there was any real growth during 1974. The real growth took place in 1973, and it is the average over the year which represents a 3.7 per cent increase in 1974 over 1973. So in fact we have had virtually no growth in our economy for approximately a year.

I am sorry the Minister of Finance is not here, but he can read what I have to say in *Hansard* tomorrow. He spoke of how good the cash balances of the government are. Why would they not be good? Who could not sell savings bonds at a rate of 9¾ per cent and have the government of Canada reduce the short-term interest rate right away?

I should like the minister to admit just how much this manoeuvre will cost the Canadian taxpayers during the life of these Canada savings bonds. It will run into many billions of dollars. I think we have had enough of this kind of sleight of hand with figures, and this kind of manoeuvring which is costly to the Canadian people, while the minister boasts about having the government of Canada in a very good cash position.

The need for some action by the government surely is not a new discovery. Going back a couple of years, we had the government talking about a contingency plan to deal with an emergency situation in the economy. That contingency plan was, of course, price and income controls, as was admitted by the Prime Minister (Mr. Trudeau). Nobody knows whether that particular contingency plan still exists.

● (2040)

Back in 1973 and early 1974 the government stalled things along by laying every increase in the cost of living at the door of shortages. For months the Minister of Finance indulged in one of the most gross over simplifications ever perpetrated in this House. For many months, with the help of my hon. friends in the NDP, he was able to get away with doing virtually nothing about high prices except to blame the weather. We are now well into 1975, and we see that the so-called consensus—and it is mainly this which I want to discuss tonight—as pursued by the government has become like the weather in at least one respect. Everyone in the government is talking about it, but no one in the government is doing anything about it.

Some hon. Members: Hear, hear!

Mr. Stanfield: I suggest that it is a very dangerous thing to hold out hope of consensus and then to let matters drag on indefinitely while hope is left unfulfilled. I suggest that the government has created a strong impression around

the country that all its talk about pursuing a consensus has been just that, all talk, and part of a strategy of stalling. I say that this impression holds danger, not just for the interests of the government party, but dangers for the interests of order and confidence throughout our society.

Some hon. Members: Hear, hear!

Mr. Stanfield: Let us go back to the throne speech at the opening of this thirtieth parliament on September 30, 1974. This was the language used by the government in the Speech from the Throne, and I quote:

> There must be a greater awareness of the need for restraint by everyone in what each seeks to secure in incomes, profits, prices or taxes if inflation is to be mitigated. Demands to secure more than the economy can provide, or indeed for those who already have a respectable return to seek to benefit relatively from inflation, must be resisted, and the government believes it has a clear responsibility in this area. Just as no one group in society should benefit at the expense of others from inflation, so should no one group shoulder an unfair burden.
>
> The government has therefore initiated a series of consultations with the principal groups in our society—business, professions, farmers, labour and provincial governments.

Then a bit further on it was stated:

> The federal government believes that it has the responsibility of playing the leading role in bringing Canadians together to discuss their common problems and challenges and to develop proposals for their solution.

That was the government's position going into this session almost six months ago. Note that the government said it had already initiated some discussions. No results have been reported.

Then came the budget on November 18, and here is some of the inspiring rhetoric of the Minister of Finance on that occasion, and I quote him:

> We have to find a better way of reconciling the competing interests of the various groups which make up our society. No group need lose in this search. Indeed, if we succeed, all can gain because the over-all performance of the economy will be enhanced by controlling inflation.
>
> This is why we need a national consensus about what the various groups can safely take from the economy over the next few years. Co-operation must be the watchword. We will give leadership, but we will not try to impose solutions.

Again, as in the Speech from the Throne, the promise of leadership was made.

I am glad to see that the Parliamentary Secretary to the Minister of Finance (Mr. Cullen) is here tonight.

Mr. Cullen: Thank you.

An hon. Member: It's nice to see someone interested in finance over there.

Mr. Stanfield: It is about six months since the Speech from the Throne, almost four months since the budget, and no results have been reported in this consensus effort at all. There was a promise of some report of progress before Christmas. This was extended to the end of February, and it still floats in limbo, and the promise of leadership is exposed as nothing more than a gimmick in a game of stalling.

An hon. Member: All they can do is ski.

Mr. Stanfield: I have told the Minister of Finance at various stages of development since the House opened that I did not think a voluntary scheme of restraints would meet the need, but that I and my colleagues would support him in the effort to achieve one if only we could get some clarification as to what he had in mind and what he wanted. The minister has thanked me from time to time for my patience, and other sterling qualities.

Some hon. Members: Hear, hear!

Mr. Stanfield: As time wore on my patience has worn out, and I have been compelled to ask the minister just how long he intends to lend his good name to a con job—because what else could this be? I still wonder why this minister is involved in it. When the minister expresses his concern, as he did again yesterday, about strikes and disruptions and the level of settlements, I have every reason to believe that he is sincere in expressing that concern. When he tells me that he would be on a better footing to proceed with initiatives to expand the economy if he had a restraint program in place, I take that as a sensible response to a question that I put to him.

Why then, why oh why, is this minister, who expresses these concerns, and supports that premise, simply going along with the gag of this stupid game of stall? The minister may say it is not a game. He may claim that the pursuit of consensus in the way it has been undertaken is on the up and up, and that it is simply taking a little longer than he thought it would. I would be prepared to take even this explanation, or an explanation like that seriously, if the minister would tell me on what ground he is pursuing this consensus. What is the nature of this consensus? Where is this leadership, in practical terms, with some proposal?

A couple of days ago the Acting Prime Minister (Mr. Sharp) told me that the government had been given some assurances of co-operation, but no one in the government has any answer when asked, co-operation on what? One begins to wonder if we would be in exactly the same position as we are if the Prime Minister were overseas seeking a consensus and the Minister of Finance stayed back home pursuing a contractual link with the principal groups in our society.

Some hon. Members: Hear, hear!

Mr. Stanfield: The way this government plays with words, it may have become mixed up as to who was supposed to be seeking what when the marching orders were translated into the government's third official language, to which it is now resorting. The Minister of Finance himself treated us to a textbook example in the course of his town hall meeting the other night. I presume he was reported correctly as saying, and I quote one of the more profound remarks of the twentieth century "Strikes provoke more unemployment." This is what the minister said. It bothers me that the minister may now have succumbed completely to this kind of lingo. He may have lost those of us who cannot write immortal prose. He may have lost us forever. I do not know. Next he may come along telling us that he is wrestling things to the ground after other things have begun to bite. This is like standing on

the bridge of the *Titanic* and saying, "Ice provokes more problems".

● (2050)

Some hon. Members: Hear, hear!

Mr. Stanfield: "Strikes create more unemployment"! What a great comment was that from the Minister of Finance. I wish the minister could find it in his residue of decency—and I think there is a substantial residue of decency there—to disassociate himself from the sham aspects of the government's alleged pursuit of consensus. I say quite frankly that I do not think we can afford the luxury of this kind of game. Tempers are flaring, and it is not only my patience that has worn out. It is time that the government came clean with the Canadian people.

The minister always gets upset whenever there is any suggestion that he is not fully and frankly taking the House and the country into his confidence. He may try to make a show of righteous indignation in this situation, but he must recognize that in this case the emperor has no clothes.

The minister will not undertake to give us a report prior to an Easter break. He refuses to give us any such assurance, and after that he will be going abroad in April. After a couple of postponements he will only say now that we can expect some report on this consensus program at an appropriate time. I do not need to remind him of Lord Keynes' remark that, "In the long run we will all be dead".

I am sorry, I cannot hear my hon. friend—

Mr. Railton: —help to get that bill through.

Mr. Stanfield: Madam Speaker, I do not know what bill my hon. friend is referring to—I do not know of any bill before the House that is going to make very much difference in saving the economy.

My hon. friend probably knows the name at least of the eminent psychiatrist and author, Dr. Eric Berne, who wrote about people waiting for death or Santa Claus. If the Minister of Finance thinks we can afford to wait for some Santa Claus recovery, particularly the recovery of the United States, he should tell us that and cut out the dishonesty of stalling and telling stories. If the minister really has something to offer as a proposal on which he is seeking a consensus from the principal elements in our economy he should say what it is, and get on with it.

Mr. Railton: He has told you. Just wait for about three months and you will see the effects.

Mr. Epp: We will all be broke.

Mr. Stanfield: Great stuff.

Mr. Epp: From when do you start counting, Vic?

Mr. Stanfield: Madam Speaker, I think I have now had confirmation from the hon. member for Welland (Mr. Railton) of what I have said—that the Minister of Finance and the whole bunch over there are engaged in a con game. All the talk about consensus is only a stalling device. They say if we will just wait three or four months everything will work out well because things are going to recover in the United States. I could not have had more confirmation of what I have been saying.

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

Some hon. Members: Continue.

Mr. Stanfield: No, Madam Speaker, I do not want extra time. The hon. member for Welland (Mr. Railton) made my point for me.

Mr. Cullen: On a point of order, Madam Speaker, there have been discussions and I believe it is agreed that a House order could be made that the addresses between now and ten o'clock be limited to ten minutes.

The Acting Speaker (Mrs. Morin): Order, please. It is agreed that the addresses from now on be limited to ten minutes?

Some hon. Members: Agreed.

Mr. Alan Martin (Scarborough West): Madam Speaker, I am pleased to have an opportunity to participate in this debate on the motion sponsored by the house leader of the New Democratic Party, the hon. member for Oshawa-Whitby (Mr. Broadbent). He and his party are proposing, as I understand it, that the Minister of Finance (Mr. Turner), having brought two budgets before this House in a period of six months, should now bring a third.

Mr. Howie: A real one.

Mr. Martin: The budget of last spring was overwhelmingly endorsed by the Canadian electorate who, thanks to the party now led in this House by the hon. member for Oshawa-Whitby, were given the opportunity to express their viewpoint in the most basic and direct method known within our democratic system.

If my recollection is correct, Madam Speaker, that particular budget and the ensuing activity resulted in the party of the hon. member losing 50 per cent of its representation in this House. The second budget has not produced the same kind of redistribution of the membership of this House only because I submit the opposition of the New Democratic Party to the November 18 budgetary measures could not at this time bring the country and the government to a standstill. Had its opposition to Bill C-49 been adequate to defeat once again the duly elected government of this country I suggest that once again the electorate would have overwhelmingly supported the government, and those responsible for voting against the budgetary measures would have suffered a second calamity at the polls. Who knows how many representatives of that same party would now be with us?

Bearing these factors in mind, Madam Speaker, can they be serious in wanting a third budget at this time, which obviously they would be duty bound to vote against? I can hardly believe that. Therefore I must conclude that there is a degree of hollowness in this motion before us. I believe it is largely a ploy on the part of the NDP to take more of the time of this House to continue debate on the budgetary measures included in Bill C-49, and this after days and

days that the opposition parties spent impeding passage of the clauses in this important bill that meant so much to the taxpayers of this country.

There is a plea before us today, Madam Speaker, for the government to introduce "within two weeks" a new budget. This proposal is coming foward at a time when the last budget has just been made law within the last two hours—when the significant measures contained in this red booklet I am holding, the budget summary, are just coming into effect. Yet it is suggested that we should immediately move to another one—that we should implement at this time a new shift in the economic policy of the country. We have hardly had an opportunity to test the effect of the most recent budget let alone had time to permit the measures to be assessed in their over-all impact on the economy in any meaningful way.

A budget is a serious document. It aims to assist in shaping economic policy over the several months to come. While economists are not in agreement on what economic ground rules should be in vogue at any one time, I believe there is general agreement that one thing that has not helped the recent economic climate within the borders of our neighbour to the south has been, on the one hand, a move to tighten significantly the economic hatches, followed shortly thereafter by a major move in the opposite direction to loosen substantially the purse strings to such an extent that Mr. Simon is quoted today as saying in Ottawa that his own country was "playing with fire".

● (2100)

Stability is a most important factor when the economic climate is so fragile and unpredictable. The November 18 budget provided stability with leadership, as expressed in the courses of action to be followed by this Liberal government. Surely it is hardly responsible to suggest the reopening of the whole, massive budgetary process within four months of the introduction of the last budget, and within hours of the passage of measures introduced pursuant to that budget and, yes, before, the passage of reasonable time which will permit a fair and meaningful assessment of those budgetary measures.

The shifts in government leadership and economic policy must be accorded their proper significance. Such shifts are not to be taken lightly, and we would be taking them lightly if we were to give the motion before the House serious consideration.

I wish to probe somewhat deeper the proposal of the hon. member for Oshawa-Whitby—assuming for the moment that he is serious in proposing that another budget should be placed before parliament and the Canadian people soon, and I must so assume, or what we are witnessing today is an exercise in futility. He makes this proposal on the same day as royal assent is given to measures contained in the November 18 budget. On this day the New Democratic Party, for whom the hon. member speaks, requests the government to introduce another budget. The question then is, what does the hon. member and the NDP want in this new budget? What would they propose? This is a vital question since, if the new budget were introduced and did not contain measures to assuage the "dollar deficit appetite" of the New Democratic Party, that party could start the process again on the next opposition day. One can visualize this chamber being turned into a veritable budget office in which a new budget is constantly being requested just when the previously introduced budget is being considered.

It will be interesting to see how the official opposition votes on this motion.

Mr. Stevens: There is no vote on it.

Mr. Martin: Are they, too, anxious to turn this chamber into a forum in which little legislation can be debated, in which little is discussed except budgetary policy? I hardly think they will go along with that. Yet, Mr. Speaker, this will be their stance if their "dollar deficit appetite" induces them to support the motion moved by the hon. member for Oshawa-Whitby.

Is the hon. member for Oshawa-Whitby really serious in wanting the Canadian national debt to be substantially augmented? Does he want the debt that we and future generations must bear to be even larger? Does the NDP not appreciate the danger of artificially over-heating the economy when inflation in the western world is at such high levels? Surely they understand that government stimulants to the economy at any time, particularly at times like the present, must be provided with a steady, firm, yet gentle hand, so that the medicine is not worse than the disease it was intended to cure. Yet that is exactly what their proposal would involve.

Not content to let current budgetary measures work their way through the economy, the NDP seeks to fuel the fires of inflation by creating artificial wealth. The government which follows such advice might purchase political popularity, but in all likelihood the serious repercussions which would follow could undermine the economic life of the country to such a degree that a normal economic stance would be difficult to achieve. At the same time it would do little or nothing to increase the production of goods when international markets are weak. And they are weak, even though Canadians would prefer them to be strong.

We are living with an international problem. Yes, there are things we can do at home, and we are doing them. However, undermining national and international confidence in our country's economy, which is surely what would happen if we were to support the proposal before us, a proposal which asks the government to change the direction of economic policy just when we have placed the stamp of approval on a major thrust which is aimed in a particular and specific direction, will not help any of us. Of course the government which I support will not conduct itself in such manner. I only hope the members of the official opposition have the good sense to follow our lead and dissociate themselves from the unreasonable and irresponsible proposal placed before the House today by the New Democratic Party.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we are not asking the Minister of Finance (Mr. Turner) to make the usual kind of budget statement. We want the government to bring in a budget which will do three specific things, and in my opinion we should bring this proposal forward on every opposition day, until the government listens.

If the government were to use for housing the $4 million which certain wrongdoers obtained through graft, the minister responsible for housing could reduce interest payments for substantial numbers of families who have bought NHA homes. Or, we could build 1,000 homes costing $40,000.

As everyone knows, the budget will bring few changes in this country, particularly to poor people. According to a recent Senate report, a great many Canadians live on or below the povery line, the poverty line for a single person in Canada now being $3,100. Old age pensioners in this country get a pension of $2,450, which is considerably below the poverty line. Statistics Canada says a family is living on or below the poverty line when it must spend 70 per cent or more of its income on basic necessities like food, shelter and clothing. In 1974, according to Statistics Canada, the poverty line for a single person was at $2,518, which is about $100 more than we paid old age pensioners.

The publication entitled "Poor Kids", which is a report by the National Council of Welfare on children in poverty in Canada, says on page 36:

> There can be no hiding behind myths that we can't afford to ensure income adequacy to all Canadians. The recent federal budget proved that. The Minister of Finance redistributed $1.75 billion for the 1975-76 fiscal year through reductions in the personal income tax alone. He redistributed another $885 million of the 1975-76 national income by changes in sales tax and tariff provisions, more than half of this—$450 million—through reduction of the sales tax on building materials.
>
> All of this $2.6 billion that the government has chosen not to collect represents a redistribution in the national income. But in what direction? The personal income tax cuts range from $200 for those in the lowest tax bracket to $750 for those in the highest. In other words, if you were too poor to pay taxes you got nothing; if you were a low-income taxpayer you got $200; but if you were already rich enough to be in the top tax bracket you got $750. The rich got most, presumably because they needed it least. Are these our values?
>
> The deduction of $1,000 of interest and dividend income will, of course, be welcomed by all those with significant income from bank deposits and stock holdings. Self-evidently, these are not the poor.

● (2110)

> The Registered Home Ownership Savings Plan and cut in the sales tax for building materials are designed to benefit those in the home-buying market. Again, not the poor. Even the deduction of $1,000 of pension income will benefit only the best-off of senior citizens.
>
> Yet no one suggested we couldn't afford these tax cuts. Economists argued whether they were too much or too little economic medicine for a situation in which everything but the inflation rate was slowing down, but no one suggested we couldn't afford it.
>
> A guaranteed adequate income that eliminates poverty in Canada will cost roughly the amount of these tax cuts—about two-and-a-half or three billion dollars. We can afford it exactly as easily as we afforded the tax cuts. The question is whether we choose to.

If a new budget were presented within two weeks it would face the problem of whether we wish to redistribute income in such a way that the poor or the rich would receive the benefit of it. Obviously the Simards, the McNamara's and others like them have done well by governments, and are doing well today. Whether or not we throw away $4 million, we can have a scandal of that magnitude, and that is probably only the tip of the iceberg.

It is my guess that when the smoke clears we will find that not only in that field but in dozens of others where the government uses the tender system, we will have squandered millions and millions of dollars. There would have been enough money for the Minister of State for Urban Affairs (Mr. Danson) to lower the interest rate, which is the only way of enabling the average Canadian to buy a home.

[Mr. Peters.]

Most people are not in the category where they can afford to buy food and the other necessities of life and still make payments of $300 and $400 a month to buy a house in one of our major cities. What does the Minister of National Health and Welfare (Mr. Lalonde) do when he is not in the House supporting the Minister of Finance (Mr. Turner)? He is making statements such as the following one:

> —the question will not be whether politicians ought to believe in a more or less egalitarian society, but rather whether they are able to "read" the community's values correctly, and express them correctly in terms of basic income levels, and in terms of income distribution generally.

I again quote from the document:

> What are Canadian community values? How much do we care whether for 14-year-old boy "it will always be this way"? Does it matter to us if poor kids are hungry or sick, if they are shamed out of schools and into dead-end jobs from which they are the first laid off when the economy slows down? Do the aged and disabled matter to us? Do we care as much about them as about the millionaire industrialist who benefited most from this year's income redistribution? . . .
>
> The probabilities and likelihoods which we have described in this report will remain unchanged or be transformed to an extent that will be determined by our value choice. That choice, which we the Canadian community will make, will tell us a great deal about ourselves.

We will have to make that decision. It is fine for members of this House, who make a fairly good salary, to be given tax concessions with regard to dividends and interest rates. If we have never owned a house, it is fine for us to save $1,000 a year for ten years tax free to be able to buy a very expensive house. However, would our values not be better if we put that money toward taking over one of the banking or financial institutions of this country and, instead of paying 6½ per cent on deposits, make that money available at 6½ per cent for the social good of this nation?

Are we always going to be satisfied with living off the misery of the poor of this nation? This affects all senior citizens in this country, as well as most of our low income people. It is true that in some families two or three people are physically able to work. In that event I am sure they will be able to come up to the standard. Those three people only have to earn $6,145 to be at the poverty level. Is that our goal?

As long as there are poor in this country, if any member of parliament will say that we should not call for a new budget to end all poverty, as well as the sickness and disasters that go with being poor, he should re-examine his sense of values. Canada can only be rich when there are no poor or disadvantaged people.

I see no reason why we cannot have a budget to change our tax structure in such a way that the rich will begin to pay their share. There are four people in Canada earning $200,000 who pay no income tax at all. There are few poor people who do not pay income tax. If we settle for anything less we will not be doing the best we can for the Canadian people and the future of this nation.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I wish to make a few comments on the NDP motion for a new budget, as well as on the mounting unemployment

and housing problem. I am well aware that money does not grow on trees. I believe the budget for this year with the supplementary estimates will be in the neighbourhood of $26.53 billion. That is an awful lot of money Canadians will have to raise for various government projects. I am also aware that we have a high rate of unemployment, 6.8 per cent.

An hon. Member: Very high.

Mr. Darling: It is very high. I am sure members on all sides of the House want to do everything possible to reduce it. There are government work programs and we all hope they will work. This brings to mind the Capital winter works program of a couple of years ago. I believe it involved a total of $150 million which money was distributed among municipalities across Canada. It resulted in the building of many worthwhile projects. Municipalities were loaned money at good rates, between 7 and 8 per cent. They received a forgiveness of 100 per cent of the labour costs if the work was done in the winter period, and 50 per cent during periods when there was not high unemployment. I hope the minister and the government will consider reintroducing that program.

If the money is not available, maybe it could be taken from some other place. I wonder about some government departments where the priority is not so high. I have the greatest sympathy for the Minister of State for Urban Affairs (Mr. Danson). His target is $1.4 billion. I think he should have considerably more than that. Some government projects could very well be pared without causing any great crisis. I think of the CBC, which some people call the "crazy broadcasting corporation", which has a budget of $225 million. Certain programs aired by that august body would have been better left in the can. By that I mean the can for the film.

● (2120)

I am also told that the CBC news offices in Toronto or whatever you call them, have a tremendous number of staff there just to get together and administer the 11 o'clock news program. I believe it is one of the largest newsrooms on the whole of the North American Continent, and that certainly covers plenty of territory. Money could surely be saved on this operation. I am sure there are a great many expenditures which could be classed as frills. The Secretary of State (Mr. Faulkner) certainly has within his jurisdiction a number of high-sounding wonderful programs, but I do not think they can be regarded as bread and butter issues.

There is another direction in which money could be saved. I have in mind these palaces, these huge civil service castles in which the mandarins live. I think that as long as the poor civil servants are kept dry in reasonably good offices, no great harm is being done. Members of parliament manage to get along in offices which are many years old, but it seems that the delicate civil servants need air conditioning, palatial offices and so on. I believe money could be saved here.

I understand the federal budget includes provision for consulting fees totalling $900 million. That is a hell of a lot of consulting fees. The Company of Young Canadians has a budget of $4.9 million. Well, there may be some good projects under way here, but again this is not a top priority. Then there is a firm about which we have heard a lot recently, Marine Industries Limited. I believe that $250 million has been allocated to this company through the Export Development Corporation by way of a loan at very favourable interest rates between 7 and 8 per cent. Then again, we have also lent Iran, not a poverty-stricken nation, $1.5 million at an interest rate of 7 per cent.

I appreciate what the minister is doing though, naturally, he will be able to do more; we hope he can find more money to get housing production on the rails and build more units as soon as possible. The minister maintains that a sizeable amount of private money is likely to be poured into housing. I am aware—it was mentioned earlier by the hon. member for Timiskaming (Mr. Peters)—that the present budget allows for $1,000 to be tax free, provided it is earned by way of bank interest or bond interest. I believe that in 1975 the concession will include dividends. I certainly feel that rather than see this money staying in the banks, the Minister of Urban Affairs should be able to encourage the use of these funds as private mortgage money.

If a private individual wishes to put out his money by way of a mortgage, why should he not be given the same concession? It might surprise the minister how much money would flow into mortgages if this were allowed, and how much additional housing could be provided. I do not think this is a crazy idea. I think it has merit, and perhaps the Minister of Urban Affairs could suggest it to the Minister of Finance (Mr. Turner).

I am well aware there are certain types of housing which the federal government is sponsoring 100 per cent. These concern federally oriented programs, AHOP and the rest. I hope the government will reconsider its attitude and change AHOP—that it will return to the situation which existed before July and allow the scheme to apply to existing homes in rural areas. Maybe I am slightly biased, but there are a great many people who cannot afford to buy or build a new home. If they were able to buy an existing older home, qualify under AHOP and fix it up later, the former owner might well move into a new home, and housing would be generated in the long run.

Again, I hope the government will see fit to divert more money into low rental housing for senior citizens rather than extend the federally oriented programs to which I have referred. The provinces and the municipalities have a very good idea of the type of housing which is needed and where it should be built. They are already contributing to the cost of construction on this basis, though not to the same extent, proportionately, as the federal government. Consideration should be given, in my view, to providing a cheaper type of housing than that which is currently available.

Another aspect with which I should like to deal relates to rural and native housing—I mentioned this in the housing committee. Naturally, those of us who live in the rural areas when we look at the concrete jungles of Montreal, Vancouver, and, yes, even of Ottawa, and see new buildings going up all the time, wonder why some of that money cannot go into the smaller towns and villages. I am hoping something can be done to this end.

Again, on the subject of native and rural housing, I draw attention to the fact that the cost of land in rural areas is much lower than it is in the cities, and that consequently dollars spent on housing will go a lot further, bearing in mind that it costs a minimum of $20,000 for a lot in Toronto, Vancouver, or possibly in Ottawa at the present time.

Another thing the provinces have requested in the housing field: is that they be given prior notice of the housing projects the minister is dreaming up, instead of having to read about them in that Liberal clarion paper, the *Globe and Mail*. The provinces would like to know about these things in advance. There is something else the provincial governments want. They would like commitments from the federal government over, say, three years in advance so that they could plan ahead with assurance, and not be obliged to go cap in hand to Ottawa. I trust the minister will do what he said he would do in committee and give the provinces a three-year forecast.

The Acting Speaker (Mr. Penner): Order. In accordance with the order agreed to earlier, the hon. member's time has expired.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I too am pleased to speak on this opposition day. In particular I should like to direct my words to the motion of the hon. member for Oshawa-Whitby (Mr. Broadbent) on how the government is coping, and I quote from the words of the hon. member, with "the scourge of poverty". My own experience has dealt with one federal policy which is put forward for people with lower incomes, and that comes from legal aid experience. Tonight I should like to direct my words in my capacity as Parliamentary Secretary to the Minister of National Health and Welfare.

I should like to take all the members here tonight back to April, 1973, when the Minister of National Health and Welfare (Mr. Lalonde) tabled the working paper on social security in Canada. Our government has always maintained that the best security for the individual is a good job. There is no need to go into this at this time, but the many programs developed by the Department of Manpower and Immigration such as LIP, LEAP, OFY, as well as other working programs under DREE, all show the concern of the government for keeping the individual in the work force.

In the working paper there were five principal strategies. These were an employment strategy, a social insurance strategy, an incomes supplementation strategy, a social services strategy and a federal-provincial strategy. Substantial progress has been made since April, 1973, toward the realization of these strategies.

On the first strategy federal-provincial ministers have agreed that a community employment strategy is needed. To this end 20 developmental projects have been launched across Canada by the Minister of Manpower and Immigration (Mr. Andras) and provincial ministers. This developmental work can only increase the experience of the government in finding and developing employment for people.

● (2130)

The object of the social insurance strategy was to enable all Canadians to make provision for their retirement through social insurance plans and to insure themselves against temporary losses of income due to sickness, accident, unemployment or maternity. The Canada and Quebec pension plans have been amended so as to increase maximum monthly retirement pensions, from $90 in December, 1973, to something like $250 in January, 1980. These changes were made in the context of the increase in old age security pensions in 1972 from $80 to $100, and the full indexation of both pensions as announced in 1973. Taken together these measures mean that total maximum old age pensions in 1975 amount to about $241 a month for a single person and $361 for a couple both over 65 in receipt of one Canada pension.

The object of the income supplementation strategy was to ensure adequate incomes for people who are working but whose incomes are not sufficient to meet family needs, and equally for people who are retired or unable to work or find employment. This objective is being accomplished for people 65 years of age and over by the increases in OAS as well as in the Canada pension plan and Quebec pension plan pensions, as I have already mentioned. Since October, 1973, the old age security pension for a single person has been increased from $100 to approximately $123.42 this April. This is probably one of the largest increases ever made over such a short period of time.

Another part of the government's income supplementation strategy is the guaranteed annual income supplement. With the cost of living indexation, as of April 1, 1975, a single person could receive a maximum old age security pension and guaranteed income supplement of $209.99 a month and a couple would receive $400.60.

As for the social services strategy, this was designed to ensure that over a period of time social services would be available to enable people to achieve their full potential. Services such as rehabilitation, vocational training, day care and home maker assistance are often required to enable people to enter or to retain useful employment, or sometimes simply to assist them to realize fuller potential as citizens.

One major national measure that was of help to a lot of working adults with families was the introduction of day care centres in 1974. The spouses of these families were able to use day care centres on the basis of need.

The fifth strategy, the federal-provincial strategy, was designed to ensure the harmonization of federal and provincial social security systems, while providing to the provinces the flexibility they required in order to adapt such systems to the needs of their citizens. For example, under the new Family Allowances Act provinces can vary the federal family allowance payment according to age or the number of children in the family. These variations were subject to a national minimum and a national average per child paid in each province.

The social policy review has progressed to the stage where it was agreed at the February, 1975, meeting of federal and provincial ministers of welfare that a policy framework for the next stages in the reform of Canada's social security system be set up. This framework would

work toward the provision of an income support program for individuals not able to enter the labour force because they were handicapped, or because there was no job available in the area, or because a single parent had family responsibilities. In addition there should be supplementation of earnings, with the creation of a work incentive measure to ensure that every Canadian would be better off at work than receiving income support.

Before concluding this review of the progress made by the Minister of National Health and Welfare and the government over the last two years at federal-provincial meetings, one must remember the economic climate in which this progress is being made. Our economy has been growing at a rapid rate over the last four or five years and the government has been allocating a large part of that growth toward alleviating the burdens and sometimes the distress of the lower income members of the Canadian community.

The federal government will continue to be concerned for the well being of the community as a whole. I should like to quote a statement made by the Minister of National Health and Welfare at the February provincial health ministers meeting. At page 14 of his speech he said:

> So long as it lies within the power of the government of Canada, it will not be the poor and the economically weak who will be asked to bear the brunt of economic difficulties confronted by the western world.

May I sum up by saying that as a result of these meetings and the framework that now lies between the federal and provincial ministers of welfare, the Minister of National Health and Welfare views this framework from two perspectives. It will be designed to provide an income to those who have been unable to find jobs and to reinforce the work incentives for all who are working but at low wages. This can only help the economy over a long period and will also provide some kind of assurance that the legitimate needs of all Canadians in need of assistance will be met.

This illustrates that the government is aware of the needs of all individuals in Canada. It has shown its concern by providing innovative and new programs of the kind I have already referred to in my speech tonight. These programs have already been referred to by other speakers on behalf of the government, such as the Minister of State for Urban Affairs (Mr. Danson) who discussed the housing needs of all Canadians. As I have said, this illustrates the government is concerned about the economy of this country. I see my time has expired, Mr. Speaker.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, as a member of the official opposition representing an area of Canada that has shared the problems caused for all Canadians by the government's mishandling of the economy, I am pleased to take part in this debate tonight. To restore the health of our economy will take more than a new budget. I fear it will take new leadership in Canada.

Since coming to Ottawa I have become aware that, for the members of this administration, power is not a means to an end, a tool for doing away with the injustices in our society and for alleviating the problems of many Canadians. Instead, the holding of power has become an end in itself. Canadians have become cynical about those of us in politics, and they have every reason to be cynical. They question whether the government has any goals for our society, any blueprint for the future, and they fear that it prefers the trappings of office to the potential that possession of public office holds for making this a freer and more humane society.

Even the Prime Minister (Mr. Trudeau) and his supporters must feel a twinge of embarrassment to recall the promises made in the summer of 1968 that a new administration under this Prime Minister would provide Canadians with a just society, because during his six and a half years as Prime Minister the inequities among our citizens have increased instead of declined, the freedom of individual Canadians to live their lives in peace has been further restricted by ever-increasing taxes and miles of new government red tape, and our economy has been laid waste by a government without the will or the imagination to bring in strong measures to put our economic affairs in order.

In my own constituency, which is located in the heart of our most prosperous province, the effects of the government's failure to provide leadership have been deeply felt. Our people are among the most industrious and most fiercely independent anywhere in this country, but our small businessmen are smothered by bureaucratic restrictions and taxed almost to the point where they would be better to close their doors.

● (2140)

Our farmers, many of whom have been on the same land for several generations, are leaving their farms in record numbers. Our working men are being laid off as the effects of the current recession deepen. Our senior citizens have found their life savings stolen by the tax of inflation, and many of them do not even know where they will find the money for next month's rent. Our young people are beginning to realize that their hopes of some day owning a home of their own have vanished. The memory of last summer's election campaign when they were told by the Prime Minister and the Minister of Finance (Mr. Turner) that "leadership is the issue" is a bitter memory in the winter of 1975.

If our farmers are to stay on the land they need more than hollow promises from the Minister of Agriculture (Mr. Whelan), because promises will not cover their production costs. If small business men are to continue in business they need more than smug assurances that the problems are worse in France, or Germany, or the Soviet Union. If the working people are to save for their retirement they need to know that their savings will not be taxed away either directly to finance governmental empire building or indirectly through the menace of inflation.

I am appalled that it is necessary to remind the Minister of Finance that there is more to being a minister of the Crown than driving around in a chauffeured limousine, or attending important meetings in other countries, or having battalions of assistants to make work for each other. He has a responsibility second only to that of the Prime Minister to provide leadership in solving this country's problems.

A couple of years ago the Prime Minister said that any government which could not come to grips with self-inflicted inflation deserved to be thrown from office. The Prime Minister needs to be reminded of that statement because, as long as it is in office only this government can introduce new policies that will resolve our economic problems. If it continues to refuse to act it should be removed from office.

The Minister of Finance has been decisive in rejecting the proposals we have made for our economy. He has rejected our proposals for a price and income policy, and he has had the government members stand up twice to defeat our proposal to return some $500 million to the taxpayers. Surely his responsibility goes beyond rejecting other peoples proposals. Surely he has a responsibility to come back to the people of Canada with some proposals of his own.

What is the economic policy of the government? For one thing, it has decided to bring in a record budget with an increase in terms of main estimates of 28.2 per cent. This big spending Minister of Finance has made his predecessor look penurious by comparison.

Look at what has happened to federal expenditures under this government. In 1968 when the Prime Minister took office every man, woman and child in Canada paid an average tax of about $550. Today the figure is about $1,325. In 1968 the federal budget was $12 billion. It had taken this country over 100 years to reach that figure, but today, six years later, the budget is about two and a half times that size, and the total proportion of our gross national product now controlled by government at one level or another is about 40 per cent.

The Minister of Finance is travelling around the country discussing the need for restraint in business and labour. The details of the proposal he is making are secret. While the details are being kept secret from the Canadian public it is clear that he is asking them to exercise some restraint for the common good.

If we cannot give the Minister of Finance any credit for demonstrating courage in dealing with the economy, we can at least acknowledge that he has demonstrated he has a lot of nerve when it comes to asking private businesses and individual men and women to show self-restraint for the public good at the very same time he and his colleagues wallow in the excesses of waste and extravagance being paid for by the taxpayers' earnings.

What I would like to do today is provide the House with a few examples of the exploding amount of waste financed by money coerced by this government from the taxpayers. One of the areas in which this waste is most apparent is in the federal government's information bureaucracy. An excellent series of articles was prepared recently by the Canadian Press, and they give some interesting facts about the waste in this section of government.

In the past five years the information bureaucracy has doubled in size, and now includes 863 people at a cost of $200 million a year. There are also some 403 vacancies. Of course most of the propaganda work is contracted out, generally to Liberal advertising agencies that dream up campaigns to try to convince you that the post office feels "Your Mail is Vital", or that the problems of women in Canada can be solved by wearing a "Why Not" button, or that filling out your tax form this year is really easier than you think.

Perhaps it is because the government has become so conscious of its image that it refused to release a 1973 survey which deals with this matter. Many members of this House will recall the reports recently about the minister of health's speech to this chamber in which he defended his decision to deny Canadians the right to watch WFL games. Those remarks, which none of us had realized were worth much at all at the time, cost the taxpayers a total of $1,950, about 36 cents a word.

Many of us do not realize that the minister has also done well in the government's television sweepstakes, creating within his department a television studio that, according to one information officer, anybody would be proud to own. His officials showed their resourcefulness in 1972 when they dispatched a film crew to the 1972 Munich Olympics. When they were denied permission to film the games because they had not bothered to get proper credentials, they took pictures of the stadium which became part of a 25 minute children's film entitled "It's not the winning". Apparently it was not.

According to Canadian Press, the minister's department developed an $80,000 television studio in Tunney's Pasture where it had ambitious plans to produce television shows. Since then the plans have fallen through and the equipment is now used for such purposes as filming autopsies on farm animals.

Last fall one of my constituents wrote asking me to look into the research and development contracts being handed out by the Department of Supply and Services. We have spent a considerable amount of time reviewing the activities of that branch of the government over the past couple of years. As members will know, in August of 1972 the government announced a new policy designed to encourage research and development to be done for the government by the private sector. The government was concerned about the scientific bureaucracy within government, and it decided it should try to spread the wealth, sharing it with the private sector.

A new bulletin will be released soon by Supply and Services, but their last one which includes the contracts awarded up until January 31 shows that some $26,960,986 had been given out between last April 1 and the end of this January. That figure represents a considerable increase over the same period last year.

None of us on this side of the House would dispute the value of the government showing leadership in the field of research and development. Nor would we quarrel with the policy of having much more of this work done by the private sector. We do most certainly look with skepticism at a number of the projects and the way they have been handled. Some seem to be extremely wasteful, but may indeed be justifiable. If they are, I would welcome the government's explanation. I would also welcome explanations in respect of projects which cannot easily be justified.

Let us take a look at some of these contracts. In October of 1974 the government reported a contract of $3,000 for "preparation of six newspaper articles describing the work

of the environmental protection service". The payment of $500 an article would be enough to make any reporter in the press gallery begin to salivate. What is also interesting about this contract is that it went to a chap in Victoria who, up until last summer, was employed as an information officer with the public information branch of the environmental protection service. It is too bad that they could not have got him to do the work while he was on salary.

Also in the October bulletin was the report of a contract for $40,500 to "Canadian Facts" of Toronto for "a survey of Canadian public awareness of scientific developments and achievements as obtained through the news media". No doubt that is a worthy project if you have $40,000 sitting around.

In the same bulletin it was reported that the Department of Industry, Trade and Commerce had a contract for "a study, through selected methods of human reactions to the introduction of the metric system in Quebec". This little gem will cost a mere $65,000.

In the same issue it is reported that a decision was made that a fellow from Bergen, Norway, should also get a piece of the action. He will be receiving $1,250 for the "preparation of a lecture on Norwegian developments in ultra-sonic methods of current measurements".

In July of 1974 a contract for $9,560 went for an "analytical study of methods to popularise science and technology". That sounds like a great way to spend an extra $9,560.

I see that I am quickly approaching the end of my time. There are many other examples I could give of extravagant waste within the government. For example, a sizable grant was given in respect of the "interpretation of data available on the site-change responses of native trees in the national capital region."

I would invite hon. members of this House to avail themselves of these editions of the Department of Supply and Service bulletins, in order to see the sort of grants being given out by that department. A new bulletin will become available in the next couple of days. It disturbs me that at the same time the Minister of Finance is asking Canadians to show restraint he continues to indulge in this type of waste and extravagance. As I said at the beginning, perhaps it will take a new budget to put our economic house in order. But even more than that, the fact is that we need new leadership in Canada.

● (2150)

Mr. Bob Kaplan (York Centre): Mr. Speaker, I should like to begin by thanking the hon. member for Winnipeg North Centre (Mr. Knowles) who agreed I might have five minutes of his short time to put forward a few remarks.

Some hon. Members: Hear, hear!

Mr. Kaplan: I would be grateful if my colleagues would applaud the hon. member rather than me.

In a very summary way I might observe that no one in this debate on this side of the House has by any means indicated we are proud of the unemployment rate in this country, the rate of inflation or the rate of growth. I do not say that. But by international standards of performance we are doing better than the major powers around the world, some of which are going bankrupt.

An hon. Member: Name one.

Mr. Kaplan: Italy, to name one. I think it is a tribute to the minister that he has been listened to specifically for leadership by the most powerful nations in order to try to find solutions to these international problems. I noted in the remarks of the minister that he did not foreclose the possibility of a new budget being introduced some time soon. I am sure he would introduce one if it were considered to be helpful. In this spirit I should like to make some suggestions in respect of areas where activities might take place, if international activity evaporates, and where internal activity might be generated to provide real growth and real jobs. First, we in Canada have something few other countries have; we have our frontier. When our foreign markets decline we can turn to this frontier and direct our energies and full productive capacities to developing it.

There must be ten projects on the shelf which are of tremendous magnitude, any one of which would be a great stimulus to the economy. One has been committed. The Minister of Energy, Mines and Resources (Mr. Macdonald) should be congratulated for Syncrude. The very decision to proceed with Syncrude has tremendous impact on our economy, not only in the west where the centre of gravity will be but in all parts of the country. And there are other projects on the shelf, such as pipelines for oil and gas, electrical plants in Fundy and James Bay, and offshore development and exploration projects. I think it may be time for the government to look on the shelf and indicate that some of these projects should be proceeded with, giving heed to the ecology and to human-considerations. The green light should be turned on. However, the frontier is only one place to go.

There is another industry whose entire production is domestically consumed and for which world markets are not needed. That is the housing industry. It is the classic generator of economic action including production of roads, schools, parks, furniture, carpets, appliances, and 100 other things which go when housing goes. It is the best generator of jobs at all levels of skills. It is a decentralized industry which can provide action in every community in Canada.

Apart from all the economic considerations, housing is badly needed. In my own riding rents may go up 25 per cent in the next year. In this spirit I would urge the government to take action. The federal government can give housing a big push. It has done so in the past. Last year of over $1,200,000,000 offered to this country in housing, less than $1 billion, only about $900 million, was taken up. The government can give such encouragement and should continue to do so.

Government stimulated production has always followed tax reductions. I wish to make the suggestion that the next budget, instead of stimulating by tax reductions, should stimulate by special new housing programs. CMHC has the ideas. The minister knows what he wants to do. What is needed are more funds for land acquisition, for servicing, for sewers, for roads, for mortgages and for subsidiz-

ing interest rates and rents for public housing. Let us call the next budget a housing budget.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the key words in the motion we have been debating today are the last four words, "the scourge of poverty". Some hon. members across the way do not like those words appearing in this sedate House of Commons, but I suggest it is one of the facts of life in Canada today to which we really must address ourselves with all the seriousness at our command.

Members who know anything of the conditions in the outports of Newfoundland, in the core areas of our cities or among the native peoples, and those who are aware of the fact that about a million of our senior citizens receive the guaranteed income supplement because they have nothing else, will have to agree that there is in this affluent land of ours a scourge of poverty that could be very serious for us in the years that lie ahead.

I congratulate the National Council of Welfare on the several reports it has produced in recent years, particularly its report entitled "Prices and the Poor," which appeared in April, 1974, and also its report entitled "Poor Kids" which was published in March 1975, just a week or two ago. This latter report has been referred to frequently today and is one which I believe every member of this House should read.

The fact is that although we may be afraid of what will happen to us in Canada or in the world because of pollution, the lack of energy, nuclear war or what have you, I submit that when in Canada there are over 1,600,000 children living in poverty, our future is not very bright.

Among the various documents which have come to our attention in recent months which underline the scourge of poverty is a copy of a speech made in Toronto on October 31, 1974, by the Minister of National Health and Welfare (Mr. Lalonde) entitled "Income Distribution: A question of community ethics". It was a tremendous speech in which, although he referred to the gains we have made in social welfare, the minister pointed out that despite all those gains the distribution of wealth in this country is still terribly unequal, with a very large number of Canadian individuals and families living below the poverty line. This is a challenge this country must meet, and I trust members on all sides will pay no attention to those who say that our asking for a new budget is just a ploy, but will listen to the sort of things that were said earlier by my colleague the hon. member for Timiskaming (Mr. Peters), and will realize that the future of this country really depends on our solving this problem, getting rid of poverty and inequality and making sure that the wealth we produce is distributed as equally as possible among all our people. This has to be our goal.

Mr. Deputy Speaker: It being ten o'clock it is my duty to inform the House that, pursuant to section (11) of Standing Order 58, the proceedings on the motion have expired.

[Mr. Kaplan.]

BUSINESS OF THE HOUSE

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, I believe that although the intention was clear there was some uncertainty this afternoon when there were discussions about tomorrow's order of business. It might be useful to have a House order rather than just the words of the Minister of Finance. I am told by the Table that the words of the minister were not exactly a House order. I suggest it be made clear that the House has agreed that tomorrow is to be a day for government business.

Mr. Deputy Speaker: Order, please. I find it very difficult at this time to make this clear if it is not already clear in the mind of the hon. member or other hon. members. Perhaps the minister has something to add.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will not argue with the Table, because I never win those battles in any event. I felt, when we put the question to the House earlier, that there was a general grunt of agreement that the opposition day be a future day and that we hold tomorrow open for government business. When the question was asked concerning what the government business would be, the answer was that it would be Bill C-50, the agricultural stabilization bill and, if that were disposed of, the bill relating to metric conversion.

● (2200)

Mr. MacLean: Mr. Speaker, I think there is unanimous consent to that effect, and that we can assume that a House order has been made.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am quite satisfied, but *Hansard* does not record a grunt. I just wanted to be sure that the House is officially doing what it intended to do.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PRIME MINISTER'S OFFICE—INCREASE IN EXPENDITURES REFLECTED IN ESTIMATES

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the recently tabled main estimates Blue Book there are many shocking and amazing figures, but none more shocking or amazing than the 29 per cent jump in the budget for the Prime Minister's office, with corresponding increase for the Privy Council office and cabinet secretariat.

In the 1974-75 fiscal year the Prime Minister (Mr. Trudeau) somehow got by with a staff of only 95 and a mere $1,643,000 budget. But for 1975-76 he has apparently decided that he cannot operate on that meagre stipend, so the

budget is for $2,124,000 and a staff of 101—over $2 million to operate the Prime Minister's office and residence.

In 1962-63 the total budget for the Prime Minister's residence was $23,930. This was broken down under six headings. The Prime Minister's office was funded by the Privy Council office which had a total administration budget of $563,600. This year the Privy Council has an operational budget of over $14.5 million, without counting capital expenditure or grants. This is a direct increase of $3,241,000 over last year, or a 28.7 per cent jump for the second year in a row.

Few of these figures are broken down substantially. They are left in blocks of $2 million, $3 million or even $6 million under nebulous titles and descriptions. In the estimates in the early 1960's expenditures were explicitly described down to amounts in the hundreds of dollars, so that we knew how the Prime Minister was spending taxpayers' money.

Now the estimates allot $2.1 million under the heading of the office of the Prime Minister, with no further explanation than the operation of the office of the Prime Minister, maintenance of his residence and allowances to former prime ministers, the latter of which is only $5,556. These figures raise some very serious doubts. Where is all this money going, what is it used for, and why is it necessary? If the Prime Minister feels he can justify these expenditures, he should voluntarily table a full breakdown. If he does not think he can justify them, it is imperative that the House insist on receiving this explanation so that the Canadian people can see how their money is being squandered.

It is becoming tragically apparent that this incredible amount of money is being used by the Prime Minister to surround himself with an army of politically appointed personal advisers who are facilitating the concentration of power in the Prime Minister, usurping the role of parliament, and duplicating the work of the senior public service and even the cabinet.

The Prime Minister is apparently conducting an experiment in running the country from his office, and as a result we are heading toward the U.S. presidential system of government in this country. Parliament has been emasculated, and the morale of the senior levels of the civil service has never been lower. This experiment of giving presidential power to the Prime Minister has obviously been a dismal failure. The evidence is all around us. Hon. members simply have to pick up a newspaper, or glance through their daily mail when it is delivered, to see proof that civil unrest and public dissatisfaction are at an all time high.

In 1974 our country lost 9.5 million working days because of strikes—67 per cent more than in 1973, and more than any other industrialized nation except one. We all know what is happening now in 1975.

And, of course, the main reason for the unprecedented magnitude of strikes is the unpredecented magnitude of inflation that has been cultivated by the government. Apparently the group of seven did not have any more effective solutions than the Minister of Finance (Mr. Turner), nor does either have any ideas to ease our unemployment rate, which is at 6.8 per cent and rising.

It is abundantly clear that the result of the Prime Minister's experiment are not positive. In fact the experiment is very damaging to the country as a whole during the present trying economic period, and will be permanently damaging to the institution of parliament, the make-up of the civil service and the very system of government in our country.

The Prime Minister must take immediate steps to return the power of governing to parliament before that power is irreparably eroded. He must cease surrounding himself with a huge staff of personal appointees who are loyal only to him and not to the government as a whole, as is the permanent civil service with which his advisers are in competition. He must begin to show some example of frugality and restraint to a country that is desperately in need of some form of leadership from the government in the fight against inflation.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, first of all I must say that the remarks of the hon. gentleman have been addressed to the House as a member of the opposition and that in many ways they can be refuted because he has quoted figures that go back to the early 1960's. But today we are living in 1975 and I am sure the Canadian people will realize that not only have costs risen since the early 1960's but also that the Canadian people have written to their members of parliament, and certainly to members of cabinet, and to the Prime Minister's office, in far greater extent in this modern age than they did in the early 1960's. I think it is only fair to say they expect answers to those requests.

Mr. Speaker, it should be pointed out that the operation of the Prime Minister's office is included within the estimates of the Privy Council office. As far as the estimates for the Prime Minister's Office are concerned, the cost of its operation has been carefully scrutinized by the Privy Council and the Treasury Board and it is entirely within the practices and procedures of the government. The increased estimates do reflect the side effects of inflation which is the case with all levels of government and within the private sector.

In the case of the over-all estimates for the Privy Council office it should be remembered that additional funds are required to support an expanded responsibility in the field of federal-provincial relations which are necessary in a federal society, and which was recognized in a bill passed by this House last December.

In conclusion, I can only say that I think it is more important than ever before today that Canadians have a personal liaison with members of cabinet, with members of parliament, and with the Prime Minister's office in particular than they have ever had. That process is going on, and I think this is a very valid argument in this particular case.

Motion agreed to and the House adjourned at 10.12 p.m.

HOUSE OF COMMONS

Friday, March 14, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Seventh, eighth and ninth reports of Standing Committee on Justice and Legal Affairs—Mr. Poulin.

FISHERIES AND FORESTRY

First report of Standing Committee on Fisheries and Forestry—Mr. Pearsall.

TRANSPORT AND COMMUNICATIONS

Seventh and eighth reports of Standing Committee on Transport and Communications—Mr. Campbell (LaSalle-Émard-Côte Saint-Paul).

PROCEDURE AND ORGANIZATION

Second report of Standing Committee on Procedure and Organization—Mr. Sharp.

[*Editor's Note: For Text of the above Reports see today's Votes and Proceedings.*]

* * *

● (1110)

PRIVILEGE

MR. BROADBENT—RESPONSIBILITY OF MINISTERS TO ANSWER QUESTIONS RELATED TO PREVIOUSLY HELD PORTFOLIOS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise on a question of privilege concerning which I gave Your Honour notice earlier this morning. It pertains to the incapacity of members of the House to obtain information from ministers of the Crown on matters which were properly their responsibility when they were ministers of different departments on previous occasions. On Tuesday of this week Your Honour ruled concerning a question put to the present Minister of Regional Economic Expansion on a matter for which he was responsible when minister of transport. Your Honour ruled it was not proper for a minister to provide answers to questions which pertained to his previous responsibilities.

In light of Your Honour's ruling, and in light of further revelations concerning criminal proceedings which have arisen as a result of alleged illegal activities of the Hamilton Harbour Commission, there is very real concern by members on all sides of the House, and the public, with regard to obtaining from the former solicitor general his view of the proceedings alleged to have taken place in the summer of 1972.

A councillor of the city of Hamilton stated that the former solicitor general was given documentary evidence, on the basis of which he should have initiated certain proceedings. It is alleged he did not do so for many months. If Your Honour finds there is a prima facie case of privilege with regard to former ministers providing information which is of concern to members of the House, and for the purpose of clearing the record for their own benefit, I would like to move that this matter be referred to the Standing Committee on Privileges and Elections so that the minister in question will have the opportunity to appear before that committee and clarify the situation.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this is an important question of principle. I believe it is in accordance with the traditions of the House and its usages that ministers are cross-examined on their departmental responsibilities. While I recognize that it is a very difficult problem, I feel that unless we adhere to this principle parliament will not be able to fulfil its function as it should.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I admit this is a very difficult problem which has been posed to Your Honour. You must consider a number of factors. For example, the public accounts committee deals with matters which go into the past. If a rule of that kind were adhered to, it would be exceedingly difficult, if not impossible, to obtain the kind of information the committee wished if ministers in charge of departments at the time the items complained of were in the government's responsibility were no longer there.

I refer Your Honour to Standing Order 39. I think we have to commence discussion on the rules with regard to written questions, because the rules for oral questions spring from the rules for written questions. I quote from Standing Order 39:

> Questions may be placed on the order paper seeking information from ministers of the Crown relating to public affairs—

I emphasize the words "public affairs": it is not "public affairs limited to the responsibility of the minister of the department concerned". I suggest that when we address questions to ministers of the Crown, we are questioning the ministry as a whole. One minister, because he occupies a certain portfolio, might have specific knowledge of a particular subject matter, but I suggest to Your Honour that until the discussion the other day I doubt whether

there had been a hard and fast ruling on that point; and, of course, the question period itself has been developing over a period of time into its present form.

I submit to Your Honour and to members on the government side that it would be monstrous to permit a minister who had been in charge of a portfolio and who subsequently had been removed from that position to say that because his responsibilities had been changed he could not be questioned as to events which happened during the time he occupied the previous position. Of course, the questions must be related to public affairs, and what we were trying to discuss in the House and in committee are surely public affairs of the greatest magnitude.

It is all very well for one minister to say he will inform himself from another minister; this does not have the same effect as subjecting the minister directly concerned to public scrutiny by way of questions from the opposition or, for that matter, from the government side. If it all has to be done by hearsay, one minister might hide behind the interpretation placed upon a situation by another minister and a great deal of the value of the question period would be lost. I ask Your Honour to consider this matter seriously because your ruling could have an impact on the value of the question period.

Hon. Marcel Lambert (Edmonton West): I must confess, Mr. Speaker, that I heard your ruling the other day with some astonishment. Certainly, it has never been my impression that a minister could not be questioned about a matter over which he had exercised responsibility. The ruling that a minister could not be questioned about matters for which at one time he was responsible, but for which he is no longer responsible, means that in order to wipe the record clean of anything which may have transpired, the Prime Minister (Mr. Trudeau) can simply ask the members of the cabinet to play musical chairs by stepping over one pace to the right; the whole record would be wiped clean, or at least questioning would be prevented. I do not think this was ever the intention of our rules.

Ministers who have been responsible for certain matters ought to be open for questioning about those matters. The situation is analogous to that of a privy councillor; there is a shared and continuing responsibility even for actions taken when a member occupied a portfolio which later was relinquished for another. I respectfully submit that Your Honour might wish to reconsider the effect of your decision.

Mr. Speaker: Order. I will hear other hon. members—there are several who wish to contribute to the discussion—and I shall certainly give the matter very careful consideration and reserve my decision. There has, however, been comment that some hon. members were caught by surprise or somewhat astonished by my recent decision that ex-ministers ought not to be questioned. Before the discussion proceeds, I think I should refer hon. members who want to participate in the discussion to citation 171 (ll) of Beauchesne, found at the top of page 149, which provides that questions ought not to "seek from an ex-minister information with regard to transactions during his term of office". That is as clear and explicit as it can possibly be, and I have a little difficulty understanding why hon. members are astonished by that.

● (1120)

Furthermore, at page 323 of May's eighteenth edition, under the heading "Questions to unofficial members", under paragraph (u) the following appears:

—and a question to an ex-minister with regard to transactions during his term of office has been ruled out of order.

I put that on the record only to indicate that there is a very clear and explicit foundation that I think would direct us into a situation where questions could be put, on a broader interpretation, to privy councillors who sit on the opposition side of the House in regard to responsibilities that they had at one time when they were in the ministry, and I would have some difficulty with that.

In any case, I want to put the foundation for my decision on the record. What I am troubled about is not so much the very clear citation that relates to use of the question period and the specific responsibilities of ministers during the question period, but I take it that the point raised by the hon. member for Oshawa-Whitby (Mr. Broadbent) relates to a much broader context, namely, that there is difficulty, not so much on the question period but in getting information from ministers in other ways before the standing committees; then it would seem to me that any member can be called before a standing committee and asked questions about matters on which he may be able to contribute information that would be of some value in the study of any matter put before the standing committee. If there is some difficulty there, this is a point that I should like to review further, but I did want to put that on the record before hearing other members.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, about the question of privilege, may I say first of all that I understand very well the concern of hon. members who want to know the whole truth and it is also my concern that all the facts be disclosed.

My attention was drawn to statements reported in the press and allegedly made by Mr. Campbell who I understand is a Hamilton city councillor. I would like to assure the House of two things: first, I have never met Mr. Campbell; second, I have never seen a letter that Mr. Campbell is supposed to have sent me. This being said, I have asked for an immediate inquiry on all allegations contained in Mr. Campbell's statements and for a report as soon as possible, not later than Monday.

[*English*]

Mr. Speaker: Is the hon. member for Peace River (Mr. Baldwin) rising on the same question of privilege?

Mr. Baldwin: On a point of order, Mr. Speaker. In light of what the minister has said, I wonder whether he is speaking for the government. If so, is the Acting Prime Minister (Mr. Sharp) now prepared to agree to the kind of investigation for which we have been asking? Obviously the minister wants one, and we want one.

Mr. Speaker: I was not aware that we had slid into the question period that fast. The hon. member for Northumb-

erland-Durham (Mr. Lawrence) on the same question of privilege.

Mr. Allan Lawrence (Northumberland-Durham): This is strictly on the question of privilege, Mr. Speaker. I can well imagine and appreciate the concern of the ex-solicitor general, the present minister, in this matter. I am trying to be as helpful as I can, sir. If I may put forward this point of order, I will do so.

The minister has indicated he would like to get this matter cleaned up as soon as possible. Perhaps I could make this simple suggestion. Last night an attempt was made to have the Standing Committee on Justice and Legal Affairs call the minister so that his side of the story could be presented. That committee is still a valid committee of this House and the members who were there last night are here today. I would ask if the House leader would agree to a request by the chairman of that committee to meet, say at 12 noon today, in order that the committee could hear the minister and have this matter cleaned up as soon as possible. In this way, his position could be presented to us, to the House and, of course, to the public as a whole.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say a few words about the question of privilege raised by my hon. friend, the hon. member for Oshawa-Whitby (Mr. Broadbent). Initially, I should like to point out that my friend was very careful not to question the ruling Your Honour made the other day. I may feel, as my leader does, restricted by the nature of that ruling; but I have to say that it seems to be supported by citations in Beauchesne's fourth edition, not only the one to which you referred but also citation 178 which states:

> Questions addressed to ministers should relate to the public affairs with which they are officially connected, to proceedings pending in parliament, or to any matter of administration for which the minister is responsible.

The point of the question of privilege is that under the rules as they are, and in light of the precedents, we are stuck with this difficulty of not being able to question a minister concerning a responsibility that is no longer his because he has been moved to some other department. As the hon. member for Edmonton West (Mr. Lambert) pointed out, this could pose a real difficulty. If, when the Prime Minister (Mr. Trudeau) comes back on Monday, he were to move the Solicitor General (Mr. Allmand) to some other post, then we could not question him on what has been going on, and so on.

It is because of this that the hon. member for Oshawa-Whitby would like to see this matter referred to the Standing Committee on Privileges and Elections on the basis of a motion under a question of privilege so that in the committee there could be a discussion of how we can cope with this matter. I realize that many questions of privilege do not meet the definition under the rules, but I think the privileges of members of parliament are affected, in the sense that they are trying to get information to which they are entitled but are frustrated by a situation over which at the moment they seem to have no control. I think, therefore, Your Honour's ruling should be that this matter be referred to the Standing Committee on Privileges and Elections.

In the meantime, we have had the statement of the Minister of Supply and Services (Mr. Goyer) and the suggestion of the hon. member for Northumberland-Durham (Mr. Lawrence). I would urge Your Honour not to try to give a ruling today, but to hold this matter in abeyance for a day or two until we see whether ways are found or offered of getting this information. If that is the case, nothing further may need to be done about it. If we are still being frustrated in respect of legitimate right that should obtain for members, then I think Your Honour should find in favour of the proposal made by the hon. member for Oshawa-Whitby.

I submit that the issue is a terribly important one. No one is suggesting, even by questions, any guilt; but when questions are raised about the conduct of members of parliament or members of the government we owe it to the people of this country to have the matters clarified. We also owe it to the ministers whose names have been mentioned to have the matters clarified. I think, therefore, that the matter is of such importance the Minister of Supply and Services should take the opportunity of pursuing his suggestion of a few moments ago. If that does not meet our needs, then after consideration I submit Your Honour should rule in favour of the question of privilege.

● (1130)

Mr. Hugh Poulin (Ottawa Centre): Mr. Speaker, with specific reference to the matter raised by the hon. member for Northumberland-Durham (Mr. Lawrence), last night there was discussion with regard to what witnesses should be called by the Standing Committee on Justice and Legal Affairs, and it was suggested that the steering committee should meet at the earliest possible time to determine what business would take place. I do not think it is proper to suggest that the committee should meet at two o'clock today, in the absence of discussions concerning what witnesses we wish to hear and what evidence could be obtained. I and other members are willing to meet at the earliest possible moment to discuss future business of the committee.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to speak for a few moments on the very important principle of whether or not members of this House have a right to require or invite a former minister to appear before the appropriate committee which is dealing with a matter which came under his jurisdiction at some former time when he was a minister of the Crown.

In 1964, when I was not a member of this House, the question arose in the public accounts committee about whether or not there had been impropriety in the letting of a contract to operate the restaurant and bar at the Montreal airport. I had been minister in charge of the department at that time. The public accounts committee decided that, as the minister who six years before had been in charge of the department, I should be asked to appear before the committee to answer questions put to me by the members of the committee.

The chairman of the committee at that time, the hon. member for Peace River (Mr. Baldwin), contacted me in Montreal and asked me to appear before the committee. I immediately accepted the invitation and came to Ottawa, where I was subjected to very searching questions for a very considerable time before the committee. I might say I was able to demonstrate clearly that there had been no impropriety—

Some hon. Members: Hear, hear!

Mr. Hees: —as you would expect, Mr. Speaker. This, I believe, demonstrates the need and the right of members of this House to be able to ask, and in fact demand, the attendance of former ministers before the appropriate committee and to subject them to questions put by members of the committee, and in that way to maintain the integrity of our whole parliamentary system. I urge that that principle be followed when you consider this matter, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. James A. McGrath (St. John's East): Mr. Speaker, there is one point I should like to make to Your Honour before you consider this matter. Last night I moved a motion in the Standing Committee on Justice and Legal Affairs to have the former solicitor general, the Minister of Supply and Services (Mr. Goyer), called as a witness as a result of a question asked of his successor the present minister. That motion was ruled out of order by the chairman of the committee.

Your Honour has already read the citations with regard to questions asked in the House of ministers in respect of their previous administrative responsibilities, but if we are to be further restricted in standing committees during the examination of the estimates, then we would be denied any opportunity whatsoever to call ministers and question them regarding any of their administrative responsibilities past or present. Therefore, I would ask Your Honour to consider this matter very carefully and review the proceedings of the Standing Committee on Justice and Legal Affairs of last night and, more particularly, the ruling of the chairman of that committee.

Finally, may I say that the whole matter could be resolved quickly if the government House leader would stand in his place and have this whole matter referred to a committee, as we have been endeavouring to have done for the past few days.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I, too, should like to say a few words. My first words might surprise Your Honour. With respect, I think that the question of privilege of the hon. member for Oshawa-Whitby (Mr. Broadbent) is almost out of order in the sense that it is in a vacuum or is hypothetical. Four or five days ago I asked a question about which, obviously, we had all had notice. At that time, because we were in the midst of the question period, I did not really debate the point at issue with Your Honour, although I was interested in the ruling which certainly changed the form of my question.

I think there are two points which have not been mentioned yet. We are discussing this matter in theory, really, because obviously there are times during the question period when this very point might arise and I would have thought, with respect to all my colleagues, that that would have been the time to debate the point, when Your Honour had before you the actual situation of a question being asked and could see just what the question was trying to get at.

Your Honour said that some of the rules in Beauchesne show quite clearly that the practice is that one cannot ask ministers of previous administrations about past transactions in their departments. There is no question about that so far as I am concerned. However, what is different here—and, again, it depends upon anticipation of questions and I think we know what the questions may be—is that this is not a question about a departmental transaction in terms of policy of the Department of the Solicitor General and why, for example, there was rehabilitation for prisoners under the former minister and not under the new minister. In that way, obviously we would pollute the whole parliamentary process more than it is polluted today.

This matter goes to something not in a departmental way. First, if we had the facts before us in the question period—undoubtedly the Solicitor General (Mr. Allmand), from the general statement he made, knew that he might be involved in these questions—it would be evident that they did not involve the Solicitor General in terms of how he administered a certain policy of his department with respect to which now, four, five or three years later we are trying to ask questions retroactively.

The minister is a member of the Privy Council and a member of this cabinet and this government. That is a little more relevant than the case of a minister who is no longer around, or the case of an opposition privy councillor who is no longer in the administration. So, first, it is a relevant situation because he is a member of a government. Second, and most important, it is not a question of departmental transactions but a question of credibility, where the minister involved is in the cabinet and is a member of the Privy Council. Surely that must be relevant and it separates this matter, I suggest, from the precedent cited where questions concerned past departmental transactions.

The third matter which really points out why the issue is credibility is that in the evidence given to the committee last night, quite properly the Solicitor General said he had talked to his predecessor who told him certain things. That is hearsay. Since last night many of us have heard a direct contradiction of the hearsay evidence given by the Solicitor General about his predecessor. Obviously, the best way to clear up any conflict in respect of this evidence is to hear direct evidence from the former solicitor general, or direct evidence by the man who is contradicted—in this case, Mr. Campbell.

Mr. Guay (St. Boniface): There are charges.

Mr. Nowlan: Oh, forget the charges. The fact is that at the moment there is no charge against anyone, but there is a real conflict of evidence given before a committee and involving the ministry. Mr. Speaker, the matter is important. Because the hon. member is still a member of the administration, and because the contradiction occurs with

respect to the administration, I think the matter should receive not only the serious consideration which Your Honour will give it, but a very important and different interpretation from the one Your Honour first gave to the House.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Labour): As a member of the Standing Committee on Justice and Legal Affairs who participated in the debate last night, I rise to say just a few words because I feel the hon. member for St. John's East (Mr. McGrath) may have, unwittingly I am sure, given Your Honour an erroneous impression of what transpired at the meeting last night and of the chairman's ruling. The chairman's ruling was with regard only to the supplementary estimates for 1974-75 with which we were dealing last night. These supplementary estimates have to be taken strictly. It was discussed, argued and decided that they should be taken strictly and that the committee should not be given the scope to hear witnesses in this kind of inquiry. But the Chairman, in his ruling, specifically left open the question of what might happen when the main estimates were considered. I might add that the government members on the committee who spoke, such as myself, also indicated an open mind on the subject.

● (1140)

Mr. Paul Yewchuk (Athabasca): I just wanted to make a couple of brief points on this matter which has already been discussed so fully. My first point is with reference to citations, which Your Honour has quoted on two occasions, in which the word "ex-minister" is used. It seems to me that it is possible to interpret that word a little more broadly than one might suspect. Ex-minister may not necessarily mean a minister who was formerly responsible for a department and is now responsible for another department. He is still in fact a minister, not an ex-minister. Ex-minister may mean someone who is no longer a minister at all.

The second point I want to make is that the practice in this area has not been as clear cut as some people might suggest. May I say with the greatest respect to you, Sir, that I have before me a copy of *Hansard* containing a question and answer which you have allowed concerning a matter which had been the responsibility of a minister at an earlier time. I should like to refer you to page 2879 of *Hansard* for February 4, at which time a question was put to the present Minister of Labour (Mr. Munro) concerning an event which occurred while he was minister of national health and welfare.

I will read the question and answer, which deal with arsenic pollution in Yellowknife. The following is the question put to the Minister of Labour:

> Having been the minister responsible for health at the time this report was initially produced and tabled, could he explain why the health study was not initiated at that time?

The question was allowed, and the minister replied:

> Mr. Speaker, I cannot recall at the moment, but I could check into it with my colleague.

This is an example, it seems to me, of this procedure being allowed.

An hon. Member: The minister did not answer the question, he said he would check with his colleague.

Mr. Yewchuk: The fact is that the question was allowed and an answer was provided. So, it seems to me that the practice in the past is not as clear cut as one might think in the first instance.

Mr. Speaker: Order, please. As indicated earlier, this is a matter which I think deserves the most careful consideration. I think there are a number of areas that are quite clear. I take it that the citations in Beauchesne make it quite clear where the responsibility lies during the question period itself. There are both precedents for prohibitions or disallowance of questions put to ministers about their former responsibilities and admonitions that questions should be directed to ministers about their current responsibilities. I think that fact remains strong and clear.

However, I feel in addition that the chair does not have the power ever to prevent a minister from answering a question which he wishes to answer. It is one thing to suggest that, if a minister raises an objection on technical grounds to answering the question, the question must be examined to see whether the technical grounds are correct. However, if a question is put and the minister wishes to answer it, I am sure it would be improper for the chair to try to stop him from doing so.

In addition, suggestions have been made that the chair review the procedures of the Standing Committee on Justice and Legal Affairs. Whatever the dimensions of the problem may be, it is also abundantly clear that the chair does not sit on appeals to procedures in standing committees. These committees are masters of their own procedures.

Some hon. Members: Hear, hear!

Mr. Speaker: I should say that the corollary of the committees being masters of their own procedures is that the committees have very wide powers, provided they are in agreement to take a certain step. As was pointed out by the hon. member for Prince Edward-Hastings (Mr. Hees), once the committee agreed to invite him, there was no problem with his being there. There may be difficulty with the committee coming to such an agreement, but in that case it is not a matter with which the chair should concern itself.

In the final analysis, I again see the question of privilege of the hon. member for Oshawa-Whitby (Mr. Broadbent) as touching not simply the narrow question about the question period, but also the wider question as to whether hon. members' privileges are restricted because they are stopped, not only by the rules in the question period but by other procedures, from having access to information which they feel they have a right to obtain. That is the wider question which I propose to review and upon which I shall reserve my decision, not only in the hope that the arguments provided will throw some light on the question but also because possibly, with the passage of two or three days, there may be some agreement among members of the House to try to resolve this question on their own volition.

Oral Questions

JUSTICE AND LEGAL AFFAIRS

PROPOSAL COMMITTEE HEARS MINISTER OF SUPPLY AND SERVICES WITH RESPECT TO HAMILTON HARBOUR—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, under Standing Order 43 I seek the unanimous consent of the House to move a motion of urgent and pressing necessity in view of what I think should be the desire of us all to permit a member of the cabinet to clear his name, to clear the air and to present information so that further derogatory statements and innuendos will not be circulating at least this weekend in our public press. I therefore move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That the Standing Committee on Justice and Legal Affairs be instructed to convene immediately, and no later than 12.30 p.m. this day, to hear the testimony of a member of the ministry, the hon. member for Dollard (Mr. Goyer), pertaining to his knowledge of the so called Hamilton Harbour matter and in particular the allegation that has been made that the hon. member had documents and information presented to him in September, 1972, by a member of the City of Hamilton council, namely, one James Campbell.

Mr. Speaker: The motion which is proposed pursuant to Standing Order 43 cannot be presented or debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

DREDGING CONTRACTS AT HAMILTON—REQUEST FOR INQUIRY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Acting Prime Minister, in light of the very proper request made by the Minister of Supply and Services—and I say this quite sincerely—for an investigation into the matters which we have been discussing, whether the Acting Prime Minister will take immediate steps to set about establishing a forum in which this investigation can take place and the terms of reference of that forum.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. member seems to have misunderstood what the Minister of Supply and Services was saying. He said that he was having an inquiry made in his department as to the circumstances surrounding the presentation by Mr. Campbell of a letter to him. That is quite different, of course, from the sort of suggestion that has been made by the hon. member. I can assure the hon. member that so far as this government is concerned, we have absolutely nothing to hide.

Mr. Hees: You said it with a straight face, Mitch.

[Mr. Speaker.]

DREDGING CONTRACTS AT HAMILTON—WILLINGNESS OF MINISTER OF SUPPLY AND SERVICES TO APPEAR BEFORE COMMITTEE OR ANSWER QUESTIONS IN HOUSE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, following the distinction made by Your Honour in your ruling a little while ago, I should like to ask the Minister of Supply and Services whether he is in fact anxious to have an investigation by the committee of this House, and is he prepared to appear before that committee? In addition, following the suggestion of Mr. Speaker, is he prepared and willing voluntarily to answer questions in the House on the matter?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, of course I am prepared to submit to any practice accepted by this House. I do not intend to escape in any way. I have too much respect for this House and for hon. members to try to use regulations which could hide the truth. There is no such practice in this House. I think you took your decision and I readily submit to it.

* * *

● (1150)

[*English*]

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF DREDGING CONTRACTS AT HAMILTON—SUGGESTED INTERVIEW WITH MR. CAMPBELL CONCERNING INFORMATION ALLEGEDLY GIVEN FORMER SOLICITOR GENERAL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a supplementary question to the Solicitor General with respect to Mr. James Campbell who apparently had, as he states or was alleged to state, delivered material to the former solicitor general in mid-September, 1972. Will the present Solicitor General now ask the RCMP to interview Mr. James Campbell, a city of Hamilton controller, to ascertain whether he gave information to the former solicitor general, Jean Goyer, in mid-September, 1972 regarding dredging irregularities or abnormalities related to Hamilton harbour activities?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I stated last night I will ask and I have asked as a matter of fact, people in my department and the RCMP to check into that. This has been confirmed by the former solicitor general who has said that he also will look into this and report to the House as soon as possible.

INVESTIGATION OF DREDGING CONTRACTS AT HAMILTON—SUGGESTED INTERVIEW WITH MR. CAMERON, ADMINISTRATIVE ASSISTANT TO FORMER SOLICITOR GENERAL

Mr. Lincoln M. Alexander (Hamilton West): A further supplementary. It was reported in the Hamilton *Spectator* on September 13, 1972 that a Mr. John Cameron, administrative assistant to Mr. Goyer, indicated that his department had in fact received information from Mr. Campbell. According to the newspaper article Mr. Cameron said:

We did receive a communication from Mr. Campbell but it was decided that if there was to be any federal government involvement it would have to be with the Department of Transport.

In view of this alleged statement, would the Solicitor General undertake to see to it that his department, through the RCMP, contact Mr. Cameron in order to determine just what occurred mid-September, 1972 with respect to these documents?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we have already contacted Mr. Cameron and asked him to provide us with all details necessary.

INVESTIGATION OF DREDGING CONTRACTS AT HAMILTON—SUGGESTED INTERVIEW WITH FORMER MINISTER OF TRANSPORT

Mr. Lincoln M. Alexander (Hamilton West): One final supplementary question, Mr. Speaker. In view of the fact that it was reported in the same issue of the Hamilton *Spectator* that the said documents were subsequently delivered to the then minister of transport who at the present time is Minister of Regional Economic Expansion, would the Solicitor General undertake to contact his brother minister in order to ascertain whether those alleged reports are true and report back to the House?

Hon. Warren Allmand (Solicitor General): I have already done that, Mr. Speaker. I must say that the Minister of Regional Economic Expansion had already left for Newfoundland to attend an important meeting with fisheries people but he will be back on Monday.

POSSIBLE INVESTIGATION OF COMPANIES CONNECTED WITH DREDGING COMPANIES BEING INVESTIGATED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Solicitor General. Yesterday my colleague the hon. member for New Westminster asked the minister if the RCMP or other appropriate agencies within his department were involved in an investigation of contracts with companies with which the 14 individuals recently charged on other matters are involved; that is to say, companies that have contracts with the government for operations other than dredging. The minister said he would check into that and report back to the House. I wonder if he can now tell the House what the situation is?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I did ask for information on that question. A lot of information was given to me as I came into the House. So much has been given to me at the last minute that I will have to check my documents to see if I have the answer to that question. I apologize but so much has been put before me in the last few hours that I have not had time to read it all. I will try to get back with an answer in the next few hours.

PROPOSED INVESTIGATION OF DREDGING CONTRACTS BACK TO 1963—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I look forward to an answer to that question. Evidence has been provided in the reports of the auditors general from 1963 until just a couple of years ago which documented a very substantial overrun in dredging contracts in each of a series of years. These are overruns between cost estimates and what was finally paid on dredging contracts. I refer the minister specifically to two years. In 1966, in four contracts there was an overrun of $629,000 and in 1967, in seven contracts, there was an overrun of $472,000, making a total in excess of $1 million paid over the original cost estimates. In view of these very significant discrepancies between estimates and what was actually paid for dredging operations, would the minister assure the House that these and other contracts for dredging operations going back to 1963 will be investigated by his department?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will ask the RCMP if the items referred to in the auditors general reports were the subject of their investigation and if not, I will ask them to look into it.

Mr. Broadbent: A final supplementary, Mr. Speaker. I want to get absolute clarification of the last point. The minister is saying to the House that if they have not investigated those contracts he will take steps to ensure such investigations take place?

Mr. Allmand: Yes, Mr. Speaker, I will ask if they have already looked at those items in the auditor general's reports as part of their inquiry to date. If they have not I will ask them to look at those particular items in the auditor general's reports and follow them up.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR MORE ADEQUATE FACILITIES FOR OFFICERS AT ROUYN

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Can the minister tell us whether he asked or intends to ask the Minister of Public Works to make more adequate facilities available for civil servants and clerks of the Unemployment Insurance Commission in Rouyn.

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will certainly take note of the hon. member's concern. I am not presently familiar with the situation, but I will look into it and advise the hon. member what action might by taken.

* * *

TRANSPORT

DREDGING CONTRACTS AT HAMILTON—REFERENCE TO STATEMENT BY MR. CAMERON, ADMINISTRATIVE ASSISTANT TO FORMER SOLICITOR GENERAL—REQUEST FOR EXPLANATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question supplementary to the previous question put to the Minister of Supply and Services. In view of the

conflicting statements made by the minister and his successor as Solicitor General, the present minister, before the committee last night and in the House today, and in view of the statements reported to be made to the press by the minister's administrative assistant, Mr. John Cameron, which would indicate that the Solicitor General either misled the committee last night or the Minister of Supply and Services misled the Solicitor General, would the Minister of Supply and Services now rise in his place in this House on a question of privilege and set the record straight?

An hon. Member: Maybe McGrath is wrong!

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I think the question tends to divert the attention of the House from the real subject. In my opinion, there is no contradiction between what the Solicitor General said yesterday in committee and what I said today. To be more specific, I shall say to the hon. member that I spoke from memory and according to the personal records I have.

When I left the Department of the Solicitor General, I respected absolutely a rule that has always existed in all previous governments, namely that the records belonging to a department must remain within that department, particularly the Department of the Solicitor General. Give me time to consult these files, to which I still have access because of a tradition long established by all previous governments and ministers, and I shall certainly be able to answer your questions. I can say clearly today that I never met Mr. Campbell and that I never read the letter he supposedly sent to me.

[*English*]

Mr. McGrath: A final supplementary. May I ask the minister if he can now tell the House if his administrative assistant, Mr. John Cameron, made a statement to the press to the effect that:

> We did receive a communication from Mr. Campbell but it was decided that if there was to be any federal government involvement it would have to be with the Department of Transport.

Did his administrative assistant make that statement and if so, is the minister now prepared—

Some hon. Members: Order, order!

Mr. McGrath: —to revise the answer?

Some hon. Members: Order, order!

An hon. Member: Sit down!

Mr. Speaker: Order, please. From the hon. member's question I am not sure whether he is asking the Minister of Supply and Services about an action by his administrative assistant or—

Mr. Clark (Rocky Mountain): Nonetheless, not a departmental person.

Mr. McGrath: A point of order, Mr. Speaker. My question has to do with the present administrative assistant of the Minister of Supply and Services, the same gentleman whom I understand was acting in that capacity when the minister was Solicitor General. I think it is a very important question and I think the minister owes the House an explanation.

● (1200)

Mr. Speaker: Order, please. It is still not clear to the Chair whether the hon. member is asking a question about actions which took place under the minister's past responsibilities, or his present responsibilities. If it has to do with actions which took place under his present responsibilities, I think it is in order.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I am not aware of any statement made to anybody. I based my reply on the circumstances I know, that is all.

* * *

[*English*]

JUSTICE AND LEGAL AFFAIRS

REQUEST FOR EARLY MEETING OF STEERING COMMITTEE TO DECIDE ON HEARING CERTAIN WITNESSES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, may I direct my question to the hon. member for Ottawa Centre, in his capacity as chairman of the Standing Committee on Justice and Legal Affairs. I appreciate that in the debate on the point of procedure the hon. member said something about the steering committee meeting to define the future course of conduct of the justice and legal affairs committee. In view of the questions which have arisen today could the hon. member as chairman on that committee, even before the steering committee meets, get in touch with all necessary people, perhaps including the present Solicitor General, to make sure that we can consider at the next meeting of the steering committee, which hopefully will take place early next week, the presence before the committee of the present Minister of Supply and Services and also the gentleman known as James Campbell who has been featured prominently in connection with certain matters, so that certain questions and conflicts can be clarified as soon as possible.

Mr. Hugh Poulin (Ottawa Centre): Mr. Speaker, I thank the hon. member for Annapolis Valley for giving me the first opportunity to answer a question in the House.

Some hon. Members: Hear, hear!

Mr. Poulin: As the hon. member knows, and as Mr. Speaker just said, the procedure of the committee will be decided by the committee, which is master of its own proceedings. As I indicated to the hon. member last night, I and members of the committee would be prepared to meet with the steering committee at an early date. Really, I am only waiting for them to tell me when we can meet, so that we can set the business of the committee.

Mr. Nowlan: Mr. Speaker, following that admonition, may I ask a supplementary question. I tried to get in touch

with the hon. member this morning, as I think his secretary will confirm—

Mr. Guay (St. Boniface): Question.

Mr. Nowlan: Will you be quiet for a moment.

Some hon. Members: Oh, oh!

Mr. Nowlan: You know, my Grade 6 teacher said—

An hon. Member: Your mother?

Mr. Nowlan: No, no, my Grade 6 teacher.

Mr. Speaker: That remark is too far afield, not on the grounds of passage of time, but on simple philosophical grounds.

Mr. Nowlan: Mr. Speaker, if you knew my Grade 6 teacher, you would not think my remark is so far afield. She said that empty vessels make the most sound. The hon. member for St. Boniface should remember that and take it seriously.

Mr. Speaker: Order, please. The hon. member asked the hon. member for Ottawa Centre, in his capacity as chairman of the committee a question relating to the possible procedure of the committee. That is quite in order. If he has a supplementary question, perhaps he will ask it now.

Mr. Nowlan: Mr. Speaker, I will come directly to my supplementary question, and I appreciate the hon. member's answer. It was very sensible. I will not comment about some things which take place on the government side which are not so sensible. In view of statements made, especially by the Minister of Supply and Services, and information which came to the fore after last night's meeting, will the hon. member, as chairman of the Standing Committee on Justice and Legal Affairs, move with despatch to convene a meeting of the steering committee, hopefully this afternoon, so that we can make arrangements to clarify the matter I have raised.

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TRANSPORT

DREDGING CONTRACTS AT HAMILTON—KNOWLEDGE OF FORMER SOLICITOR GENERAL OF MEETING BETWEEN MR. CAMERON AND MR. CAMPBELL

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I direct a supplementary question to the Minister of Supply and Services. Was the hon. gentleman informed by Mr. Cameron about any meeting at that time between Mr. Cameron and Mr. Campbell regarding affairs at Hamilton harbour?

Mr. Speaker: Order, please. It is not clear to the Chair what time the hon. member's question relates to.

Mr. McCleave: Mr. Speaker, the reference is to mid-September, 1972.

Mr. Speaker: Order, please. The hon. member for Vancouver South.

LABOUR CONDITIONS

STRIKE AT PORT OF VANCOUVER—REQUEST FOR PROGRESS REPORT ON NEGOTIATIONS AND GOVERNMENT ACTION TO SETTLE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Acting Prime Minister. On Wednesday the Acting Prime Minister, answering my colleague, the hon. member for Dartmouth-Halifax East, said that no decisions have been taken to restore the movement of grain and shipping. When asked to advise this House on Friday, that is, today, about the situation, he said that he would advise his colleagues, the Acting Minister of Labour and the President of the Treasury Board, to be as forthcoming as possible. Can the Acting Prime Minister now tell this House what is the situation and what action the government intends to take?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the hon. member knows, active negotiations have been taking place with respect to public service employees, and I understand the situation is more hopeful for an early settlement than it has been at any time previously.

An hon. Member: You said that yesterday.

Mr. Sharp: So far as the Longshoremen are concerned, one of our most experienced mediators is now on the west coast working with a sort of deadline, so that he can make an early report. When we have this information we will decide whether it is necessary to take further action.

Mr. Fraser: A supplementary question, Mr. Speaker. Can the Acting Prime Minister assure the House that a negotiated settlement and resumption of service can be achieved this weekend?

Mr. Sharp: Mr. Speaker, I am sure all members of the House want a negotiated settlement and are in favour of parliament not having to intervene.

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FISHERIES

COLD STORAGE AND INVENTORY FINANCING ASSISTANCE PROGRAM—REQUEST FOR EXTENSION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is directed to the Minister of State responsible for fisheries. As the $4 million extension to the cold storage and inventory financing costs assistance program administered by the Fisheries Price Support Board terminates on March 31, 1975, and in view of the marketing problems still faced by the industry, is the minister giving thought to extending this program beyond the cutoff date.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I thank the hon. member for his courtesy in giving me notice. The gradual phasing out of this program appeared desirable, since we wanted to encourage the industry to liquidate inventories before the start of the new season. We recognize that this has not been as successful as we should have liked. In fact, last Tuesday I met

with the crabmeat producers of the Atlantic area to study this very problem, and they are looking at solutions with which we will assist them. Perhaps my remarks are not couched in the best English, but I hope they are understood.

As for continuing the program, we are looking at possible assistance programs as from the end of April on. We want to integrate the assistance programs and take into account all these questions which have been raised, especially the one concerning high inventories, which worries us. In conclusion, I hope that all hon. members will eat as much fish as possible.

ICE COOLING FACILITIES—REQUEST FOR EXTENSION OF SUBSIDY PROGRAM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my supplementary question concerns the extension of ice cooling facility subsidies. As the program was phased out on December 31, 1974, can the minister now say if it is being extended?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Yes, Mr. Speaker; that program was extended for a further six months when it was realized that there were a fair number of requests which could not be processed in time for the cut-off date chosen at the beginning of the program.

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PUBLIC SERVICE

REQUEST FOR EXTENSION OF TIME FOR APPEALS TO STAFF RELATIONS BOARD IN VIEW OF POSSIBLE STRIKE OF POSTAL EMPLOYEES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question concerns strikes and rumours of strikes and is directed to the Acting Prime Minister. Given the prospect of a mail strike, or at least a hold up in the near future in mails across the country, will the Acting Prime Minister, in consultation with his colleagues most directly concerned, ensure that all necessary measures are taken so that all deadlines for appeals to the Public Service Staff Relations Board will be appropriately extended in order that persons in the process of making appeals concerning employment shall not lose their cases because their letters of appeal failed to reach Ottawa in time for the hearing.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will take that question as notice. I assume it is a representation as well.

* * *

TRANSPORT

INVESTIGATION OF DREDGING CONTRACTS—SUGGESTED JUDICIAL INQUIRY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I return to the statement of Controller Campbell of Hamilton City Council. As everyone who listened to the morning news heard, Mr. Campbell said that he had come to Ottawa and placed certain information before the Department of the Solicitor General in September, 1972, and as today we heard the present Minister of Supply and Services, who was then Solicitor General, say that he had never met Mr. Campbell, had received no such document and that his department had received no such document—

An hon. Member: He didn't say that at all.

Mr. Douglas (Nanaimo-Cowichan-The Islands): —I suggest that this indicates either that someone is not telling the truth or that there has been administrative incompetence or a misunderstanding which would be very difficult to explain.

An hon. Member: Campbell could be wrong too, you know.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I suggest that the standing committee of the House of Commons is not the proper place to reach a conclusion with respect to this matter. Is the government prepared to reconsider its position to have this matter looked at properly under a judicial investigation so that both sides will have an opportunity to place their facts before properly trained people and the country will have the privilege of knowing the actual facts?

● (1210)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. member has not, of course, quoted the Minister of Supply and Services accurately. On the question of privilege, the Minister of Supply and Services said that he had never met Mr. Campbell and at that time was unaware of his letter. That is what the Minister of Supply and Services said. I want that to be on record so that the interpretation placed by the hon. member on the transaction is not accepted as a fact. As various ministers have said, the government is now searching the records. As far as I am aware, we would be only too happy to put the full story before hon. members, either in committee or in the House.

As I said earlier, there is nothing on the record for which we have any reason to feel ashamed. There has been no suggestion at any time that there was any political interference with the process of justice. Until that is the case, I see no reason to suggest that there should be a special inquiry.

Some hon. Members: Hear, hear!

DREDGING CONTRACTS AT HAMILTON—POSSIBILITY DOCUMENTS RECEIVED BY MR. CAMERON CONCERNING ALLEGED IRREGULARITIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, there seems to be some difference of opinion between the Acting Prime Minister and myself as to what the Minister of Supply and Services said. May I ask the Minister of Supply and Services, who is quite capable of speaking for himself, whether any document was received

by his department, and particularly by Mr. Cameron, with respect to complaints from the Hamilton city council regarding certain alleged improprieties in the management of the Hamilton Harbour Commission.

Mr. Speaker: Order, please. I take it the hon. member is posing a question to the Minister of Supply and Services concerning his function as a former minister. I do not want to be unduly restrictive, but we have gone over this ground rather thoroughly. However, the minister in the interval perhaps changed the circumstances by rising on a question of privilege. If the hon. member's question simply asks the minister to clarify his comments on the question of privilege, it might be more appropriate.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I do not see really how I could clarify such a precise statement. On the question of privilege, I said that I had never met Mr. Campbell, that I have never read a document or letter which Mr. Campbell is said to have delivered, and that I have ordered an investigation into this matter. Moreover, I have requested that a report be made available to me by Monday at the latest and, for further clarification, have indicated that I no longer have in my possession the files related to the responsibilities I assumed when I was Solicitor General, but that I still have access to these files, under a long tradition honoured by all previous administrations.

[*English*]

INVESTIGATION OF DREDGING CONTRACTS—SUGGESTED JUDICIAL INQUIRY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a final supplementary to the Acting Prime Minister. There is a great deal of difference between looking into alleged criminal activities by certain persons whose conduct is now under investigation and in making a suggestion, such as has been made by Mr. Campbell, that there has been an attempt to delay or even obstruct justice, which would lead one to suspect that the subject now before the Canadian people is whether or not there has been an attempt to cover up the situation with regard to the activities of the Hamilton Harbour Commission and the dredging contracts which have been given by the government. In light of those facts, will the Acting Prime Minister at least consider between now and Monday the advisability of dealing with this matter in the proper manner, which is through a judicial inquiry, particularly in view of his often stated remarks that the government has nothing to hide and it wants to have a full investigation to ascertain all the facts?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I repeat what I said before. I have seen no evidence that there was any attempt to cover up, delay or otherwise interfere with the course of justice. The government is only too happy to lay all the facts before the House or whatever is a suitable place for this to be done. We will consider what is the best way of bringing all the facts before the House. However, I have not seen anything to suggest there has been anything such as has been alleged by the hon. member by way of action to delay or interfere with the course of justice or any suggestion of political interference. Until there is some such evidence, I think it would be most improper to have the kind of inquiry of which the hon. member speaks.

DREDGING CONTRACTS OF HAMILTON—KNOWLEDGE OF FORMER SOLICITOR GENERAL OF MR. CAMPBELL AND EVENTS OF SEPTEMBER, 1972

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a supplementary question for the Minister of Supply and Services. In view of what was said on his behalf last night by the present Solicitor General, namely that he had been informed the Minister of Supply and Services had no knowledge or information whatsoever with respect to the Hamilton Harbour matter, can the Minister of Supply and Services now inform the House, apart altogether from Mr. Campbell, departmental officials, reports or correspondence, of his own personal recollection and memory of the events of September 1972, a Mr. Campbell and material presented to him?

Mr. Speaker: Order, please. The question has been dealt with exhaustively in those terms. In any event, it is again asking the minister to give information about his responsibilities in a previous capacity.

Mr. Lawrence: Mr. Speaker, I rise on a question of privilege. Your Honour earlier permitted the Minister of Supply and Services to rise on a question of privilege relating to this very matter. I think it was three weeks ago yesterday in this House that Your Honour set a precedent in relation to another minister of the Crown rising on a question of privilege to speak about a matter that related to his administrative responsibilities in another department or in relation to his personal affairs and his own recollection and memory. Now that this matter has been raised in this fashion by the minister himself, all I am asking is that we have the opportunity to ask him a question like that. If Your Honour wishes me to rephrase my question or be more specific, I am certainly willing to do that.

Mr. Speaker: Order, please. The minister, of course, changed the circumstances somewhat by rising on a question of privilege today. I submit that makes it in order to ask him questions with regard to clarifying the statement he made in the House today on the question of privilege. That is something he has done in his current capacity as a minister of the Crown. That was the nature of the question put by the previous questioner. The minister clarified that statement. It seemed perfectly clear to start with, but he clarified it to eliminate any uncertainty as to the nature of his comments. Further questions relating to what the minister said today might be in order for the purpose of clarification. If there is still room for clarification, I will listen. However, as I understand the precedents, it is still not in order to ask a minister about his responsibilities in respect of some capacity he enjoyed prior to the capacity he represents at the present time. I do not see any shadow of doubt.

Mr. Lawrence: With all due respect, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Prince Edward-Hastings.

Mr. Hees: Mr. Speaker, I would like to direct a question to the—

Mr. Lawrence: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order, please. The hon. member has put a question which I have disallowed. The hon. member raises a question of privilege which I see only as an appeal against that ruling of disallowance. It is not a question of privilege. If the hon. member has a further question of privilege or something different, I will be glad to hear it.

Mr. Lawrence: Mr. Speaker, my question of privilege is simply this. I am asking the minister to clarify the points he made on the question of privilege.

Some hon. Members: Oh, oh!

Mr. Lawrence: Members opposite can hoot and holler at me and tell me the minister has already clarified it. Your Honour can say that you are satisfied it has been clarified. That may be Your Honour's judgment, but it is not my judgment.

Some hon. Members: Oh, oh!

Mr. Lawrence: I have every right to raise this.

Mr. Speaker: Order, please. Whatever consequences it might have, there is clear precedent that as between the hon. member's judgment and my judgment, perhaps fortunately for both of us, mine stands without appeal.

● (1220)

DREDGING CONTRACTS AT HAMILTON—POSSIBLE CONVERSATION BETWEEN FORMER SOLICITOR GENERAL AND EXECUTIVE ASSISTANT CONCERNING LETTER FROM MR. CAMPBELL

Hon. George Hees (Prince Edward-Hastings): My question, Mr. Speaker, is to the Minister of Supply and Services. As the statement made by Mr. John Campbell, the Hamilton Controller, was reproduced on the seven o'clock and eight o'clock CBC news programs, and as I am sure the minister, when he arrived at his office this morning, talked to his executive assistant who, I understand, is the same executive assistant as he had when he was Solicitor General, and as it would be very natural for the minister to ask his executive assistant, Mr. John Cameron, whether he had ever received a letter from Mr. Campbell, the Controller of the City of Hamilton, and, if so, what had he done about it, I would ask the Minister of Supply and Services whether such a conversation took place this morning, and, if so, what was the result?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, to clarify what I said about the question of privilege, I must say that I ordered an inquiry precisely that all the facts might be sorted out and that I might then be in a position to give the House the required information. Perhaps the House would rather have that information bit by bit to create some sensationalism instead of seeking out the truth but if, as I believe, hon. members want to know the whole truth, as I do, then I should at least be given time to complete the inquiry. All I ask is the weekend. I shall work over the weekend to sort out the information since I have access to the documents of the Department of the Solicitor General pertaining to the time when I held that office. That is all I ask. Please, let no one accuse me of having ulterior motives.

[*English*]

Mr. Hees: I am perfectly willing to give the hon. minister the time he requires. I thought it would be an easy way for him to clarify the situation if he were to answer my question. However, I am perfectly willing to wait.

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AIRPORTS

SAINT JOHN—INQUIRY WHETHER AIRPORT OPEN AND FIREMEN ON DUTY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am in a slight dilemma because I have given notice of this question to two ministers and each of them is competing to answer. The definitive word, however, is that this is a transport question and the acting minister is gazing at me now. Is the Saint John airport open. Are the firemen back? What is the current situation? This airport has been closed for eight days.

Hon. Ron Basford (Acting Minister of Transport): The runways were cleared early this morning by management personnel. The firemen were called back by telephone this morning and then by wire. The airport manager is endeavouring to call them back to work. The latest word I have is that the firemen are not yet back to work at the airport.

Mr. Fairweather: Does the minister not find it incongruous that the firemen are not back at work because of a game plan, to use the ministry's own words, and that the authorities should now find themselves in a difficulty of their own making—they let the firemen go, and now they are unable to get them back.

Mr. Basford: I am not so advised. I am told the firemen were laid off work because there was no work for them to do.

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INDUSTRY

PROPOSED STEEL PLANT IN CAPE BRETON—POSSIBILITY OF FINANCIAL ASSISTANCE FROM FEDERAL GOVERNMENT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to address a question to the Acting Prime Minister. In the light of the press conference held on Wednesday morning of this week by Premier Regan, at which time the premier announced several appointments to a body whose duties will be to bring together the planning, partners, organizations and capital requirements for the building of a large internationally competitive

steel plant in Cape Breton County, and in view of the statement made by the premier that he has been assured of the understanding and co-operation of the Minister of Regional Economic Expansion and of the federal government, may I ask the hon. gentleman whether he can advise the House that this understanding and co-operation will also consist of dollars?

Hon. Mitchell Sharp (Acting Prime Minister): There has always been very close co-operation between the governments of Nova Scotia and Canada, at least in recent years, and usually there has been some dollar assistance given to that government. I would assume there will continue to be that kind of co-operation.

Mr. Muir: In view of the action of the federal government in commissioning the Canstel study on the proposed steel complex, would the minister not agree that the Nova Scotia government, in an endeavour of this magnitude, will require not only understanding and co-operation from the central government but that such co-operation will of necessity involve the provision of a great deal of money along with what might be raised from private sources?

Mr. Sharp: The hon. member is an eloquent advocate.

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MANPOWER

ALLEGED DENIAL OF RIGHT OF CERTAIN PLUMBERS AND PIPE FITTERS TO WORK IN QUEBEC—GOVERNMENT ACTION

Mr. Hal Herbert (Vaudreuil): Has the Minister of Manpower and Immigration been made aware of the contents of a telegram sent by Frank D. Moores, premier of Newfoundland, to the Hon. Mr. Justice Robert Cliche in which Premier Moores protests that Montreal Local 144, United Association of Journeymen and Apprentices of the pipe fitting and plumbing trades, refused to allow some 50 or more Canadians, whose place of domicile is Newfoundland, to work at the Quebec Cartier mining operation job site? Does the hon. gentleman consider such action to be discriminatory? Does it severely restrict the application of the principles of confederation and the freedom of Canadian employees? Does conflicting provincial legislation prevent the minister from taking action to forestall similar occurrences in the future?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I am aware of the circumstances. I understand that at Mont Wright the plumbers and pipe fitters union has ordered some of its members off the job. I am aware that the Premier of Newfoundland has expressed his concern since there are Newfoundlanders involved. I would have to say, however, that this is a matter which is entirely between the union and the employer, and that in terms of jurisdiction it is entirely a matter for the province concerned. To the best of my knowledge, there is no action I can properly take in response to the circumstances raised in hon. member's question; it is doubtful whether it is a matter for federal intervention.

LABOUR CONDITIONS

STRIKES AT PORT OF VANCOUVER—POSSIBILITY OF LEGISLATED SETTLEMENT

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the Acting Prime Minister—it is related to one which was addressed to him earlier in connection with the grain handlers strike at Vancouver. Since the minister, in his answers earlier today, seemed vague about the intentions of the government, I should like to ask him whether the cabinet has emergency legislation ready to bring in and, if so, whether it would be used in the near future should a settlement not be reached involving both the longshoremen and workers who belong to the public service? Will legislation be brought in in the very near future to settle this strike before it spells complete disaster for the Port of Vancouver?

Hon. Mitchell Sharp (Acting Prime Minister): These questions are under very active discussion by the government. We have not set any deadline; I think it would be most unfortunate if deadlines were to be set because it is our desire, as I am sure it is the desire of the hon. member, that these strikes should be settled by negotiation rather than by parliament having to interfere once again with the process of collective bargaining.

Mr. Murta: One short supplementary, Mr. Speaker, because this is the last chance we shall have to question the Acting Prime Minister on this matter before Monday. Can he tell us whether or not the government has emergency legislation ready to be used in the event nothing is settled?

Mr. Sharp: I hope the government is always ready to meet all emergencies.

An hon. Member: No way!

* * *

● (1230)

TRANSPORT

INVESTIGATION OF DREDGING CONTRACTS—INQUIRY WHETHER GOVERNMENT CONTINUED TO DO BUSINESS WITH COMPANIES FOR TWO YEARS AFTER INVESTIGATION COMMENCED

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to direct another question to the Acting Prime Minister. Based on the dates contained in the information made available this week by the RCMP concerning certain corporations and individuals, would the Acting Prime Minister confirm to the House that the government continued to do business with these companies a full two years after the Minister of Transport himself said he had asked the RCMP to investigate?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think it is basic to our consideration here that we always have a presumption of innocence. Charges have been laid recently, but no one has yet been brought to trial. There are some difficult problems involved in this area. As the hon. member will have noticed, practically all

of the dredging companies of any size in the country have been charged with some crime or other. Problems will arise when dredging has to be done, and it will be necessary for the government to make a decision as to how it is to proceed, so that the public interest is not jeopardized by the fact that certain companies are under charge.

Moreover, other problems have been raised previously with regard to subsidies for the building of ships. I am sure that the hon. member would not want people to be thrown out of work because the government cancelled contracts.

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ENERGY

COAL—POSSIBILITY OF DEVELOPMENT OF DEPOSITS UNDER FEDERAL JURISDICTION IN SOUTH-EAST KOOTENAY

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources, but in his absence I will direct it to his parliamentary secretary. Has the minister arranged any discussions with the minister of mines of British Columbia in regard to the development of coal deposits on blocks of land in the south-east Kootenay which are under federal jurisdiction?

Hon. Alastair Gillespie (Acting Minister of Energy, Mines and Resources): Mr. Speaker, I will take the question as notice and refer it to the minister.

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CANADIAN BROADCASTING CORPORATION

REQUEST FOR SHOWING OF FILM THAT IS FAIR TO CITY OF TRAIL—GOVERNMENT ACTION

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I have a question for the Secretary of State. In view of the fact that both the minister's office and mine have received numerous letters of protest from all parts of Canada with reference to the character assassination of the city of Trail by the National Film Board production "Where are you going, Company Town?", and in view of the fact that Miss Wendy O'Flaherty of the CBC has produced a film on the city of Trail that places it in fairness rather than in prejudice, would the Secretary of State use his good offices to urge the CBC to show this "Hourglass" production on the national CBC network to help redress the wrong perpetrated on Trail and its citizens?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, without accepting the premise of the question, I know the hon. member feels strongly about it and I will certainly make a representation for him.

[Mr. Sharp.]

ENERGY

OIL—REASON FOR TRANSFER OF IMPORTS FROM VENEZUELA TO MIDDLE EAST—POSSIBLE RECAPTURE OF SOME SUBSIDY PAYMENTS

Mr. James Gillies (Don Valley): Mr. Speaker, my question was intended for the Minister of Energy, Mines and Resources but it seems that he is not going to be back in the House so may I direct it to the acting minister. Has the government made any inquiries of the oil companies to find out why there was a transfer of imports from the Venezuelan fields to the Middle East fields, and what explanation have the oil companies given for this transfer of imports?

Hon. Alastair Gillespie (Acting Minister of Energy, Mines and Resources): Mr. Speaker, on such a technical, important and very complicated question I am sure the hon. member would prefer to hear from the minister himself, so I shall be pleased to take notice of the question and refer it to the minister.

Mr. Gillies: I am glad the minister understands that it is an important question because hundreds of thousands, perhaps millions, of the taxpayers' money is affected. My supplementary question is this. If in fact there is no legitimate explanation provided by the oil companies for this change other than the fact that they would get a larger subsidy from the Canadian government, is the government prepared to recapture this money from the oil companies on behalf of the taxpayers of Canada?

Mr. Gillespie: Mr. Speaker, I will, of course, refer that question to the Minister of Energy, Mines and Resources. May I just say that I hope to recapture some of that oil money myself when I lead a trade mission to Venezuela next week.

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TRANSPORT

DREDGING CONTRACTS AT HAMILTON—SUGGESTED JUDICIAL INQUIRY

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to address my question to the Acting Prime Minister and it concerns a matter that has already been discussed, namely the effect of statements made in the House today that question the credibility of an elected official, namely Controller Campbell of Hamilton. Would not an inquiry by a judicial officer to clear up the matter be fairer than an inquiry by this House or any committee of this House, which is bound to have political bias in the matter?

Mr. Speaker: Order, please. With due respect, it appears to the Chair that that is precisely the question that was put by the hon. member for Nanaimo-Cowichan-The Islands earlier today.

BUSINESS OF THE HOUSE

Mr. Baldwin: On a point of order, Mr. Speaker, may I ask the government House leader whether there has been any change in the order of business for Monday, Tuesday and Wednesday of next week, when I hope a very large number of ministers will be present to entertain questions and give answers?

Mr. Sharp: Mr. Speaker, I am also hopeful about today, Monday, Tuesday and Wednesday of next week, when I hope we will make progress on some government legislation. Today, as the House knows, we will be resuming debate on second reading of Bill C-50. If that is disposed of before four o'clock, it would be my hope that we might turn to the resolution on metrication standing in the name of my colleague the Minister of Industry, Trade and Commerce. If it is not concluded today, that will be the first order of business on Monday.

The exact order for that day I am not quite certain about, because on Monday I should like to see the opportunity taken to clean up some report stages and third readings of a number of bills that have been through committee and which I think should receive royal assent so they can be put into effect. Bill C-8 is our next priority. So if I may summarize, we will take Bill C-50, then metrication, report stage and third reading of a number of bills, and then Bill C-8.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since there were references to government business covering Monday, Tuesday and Wednesday, does this mean that the designation of Tuesday and Wednesday as opposition days is being revoked?

Mr. Sharp: You will recall, Mr. Speaker, that the other day the House leader of the official opposition and the House leader of the NDP suggested they would like to move those opposition days forward into the next period. On consideration, the government is prepared to go along with that, and it would be necessary, of course, to effect that transfer for next Tuesday and Wednesday.

Mr. Knowles (Winnipeg North Centre): Then are we transferring, now, those two days into the next semester? If so, we agree.

Mr. Sharp: I would so move, Mr. Speaker.

Mr. Speaker: Is the House agreed, and shall it be so ordered?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

AGRICULTURAL STABILIZATION ACT

AMENDMENTS TO PROVIDE FOR DEFINITION OF AGRICULTURAL COMMODITY AND BASE PRICE

The House resumed, from Tuesday, March 11, consideration of the motion of Mr. Whelan that Bill C-50, to amend the Agricultural Stabilization Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, quite a few speeches have been made on this particular bill, a fair amount of ground has been covered and some very sound advice has been presented to the minister.

An hon. Member: Except for the NDP.

Mr. Korchinski: I agree with the hon. member—except for the NDP.

Mr. Nystrom: Especially the NDP.

Mr. Korchinski: I rise this afternoon to make a few comments on matters that I think have not until now been mentioned and which should perhaps be brought to the attention of the minister and the country. In the last several months following the throne speech debate the minister has indicated that a steady stream of agricultural legislation would be presented. There appeared, to everyone who read the press, to be a long list of measures that were apparently intended to open up a new era so far as agriculture is concerned. I think that anyone who perhaps did not give this matter very serious consideration, keeping in mind the complications and implications of all these legislative items, might in fact get that impression.

● (1240)

The minister has travelled throughout the country reciting one item of legislation after another which will come before the House. In fact, some of these items are now before the House. What the minister does not tell the people and the country is that in none of these items of legislation is there an inkling or a suspicion of new areas being opened up in so far as agriculture is concerned: the minister is merely introducing amendments. Certain amendments may be necessary to update the legislation, but it is not acceptable to the agricultural community in this day and age to have to depend on legislation enacted at some period of time in the past to cover specific situations which do not necessarily exist today. The fact that the minister's proposals contain nothing more than amendments to existing legislation indicates that this government has no new ideas of its own.

I find that most of the legislative items dealing with farm credit, stabilization and other matters pertaining to agriculture relate to ideas introduced at the time the Conservative Party was in office. I am not suggesting there is anything wrong with the legislation; the legislation is good, and certain amendments are necessary. It is totally incomprehensible that this minister should roam around the country making one speech after another without putting forth any new idea of his own. He certainly

has enough people writing speeches for him as it seems he is delivering, on average, about two speeches a day: they are coming fast and furious from all sides.

I have been hoping, in vain, that the minister would take a new approach. I find it almost disgusting that the minister should always refer back to the original piece of legislation. The preamble to the original bill, for example, recognized the increase in the cost of production as compared to the income received by farmers. The minister simply rearranges the preamble and puts it into the new bill, then refers to it as a great, new innovation or new approach to agriculture. Then each one of his trained seals gets up one after the other and praises the minister to high heaven.

I really wonder why we must spend time debating this bill, because when looking at the past performance of the government under this legislation it is obvious that the minister could have done almost anything he wanted. This legislation already gives him the authority to support agricultural products. The minister shakes his head, indicating that he cannot. Let me suggest again to the minister that he could have done anything he wanted; he could have supported any item he felt required support, under the provisions of this act as it now stands.

It is true that there are certain commodities in respect of which there is mandatory support. I have before me an annual report which lists about 28 commodities that have been supported in the 16 years since this act was enacted. This indicates that the minister did have the authority to support any agricultural commodity he wished to support. The minister has supported various commodities in the past by order in council. As a result of research, I have found that the minister not only can support whatever items he wants but he can support them at whatever level he wishes.

The minister makes a lot of noise about the fact that with the new amendments it will be possible to support the mandatory commodities on a five-year average rather than a ten-year average, and that the new level of support will be 90 per cent rather than 80 per cent. For the information of the House, there are many items which have been supported in the past at a level higher than 80 per cent. I would ask the minister to indicate to the House the present level of support in respect of cattle. I can tell the House that at the present time the minister obviously has the authority, because support is at the level of 154 per cent on the ten-year average. No new ground is being broken by these amendments; the minister has the authority to support these commodities at any level.

Let me go through this list very quickly to indicate some of the items and the levels at which they have been supported in the past. In the year 1971-72 hogs were supported at 88.5 per cent; in 1971 sugar beets were supported at 117 per cent, blueberries at 105.5 per cent, rutabagas at 83.3 per cent, and carrots at 93.4 per cent. Further on in the list we find that in 1972-73 apples were supported at 90.3 per cent, and fowl at 251 per cent. What new ground is being broken? Let us consider the other side of the coin. In 1973, for example, the support in respect of potatoes was at the 78.1 per cent level. In other words, the minister could have supported any item above or below the 80 per cent level except for those mandatory items.

Without the provision of additional funds, what additional safeguards will the farmers have as a result of these amendments? I suggest that what the minister is telling the farmers around the country about the results of these amendments is just a lot of boloney. This minister has the authority to support these commodities, but he is doing nothing. He is telling everyone that the farmers must get more, but he does nothing about it himself. The potato producers are at this moment crying to the minister to do something. He does not require additional authorization, he can act under the existing legislation. Potatoes have been supported in the past and there is nothing preventing the minister from introducing support again at this time. All that is required is a few minutes in cabinet to convince the minister's colleagues. That is what he should be doing, instead of running around the country talking to all the farmers but doing nothing.

If one looks at the record of the minister's speech, he will see that the minister is actually preparing the farmers for a drop in income this coming year. He is paving the way by telling the farmers that they will have to accept a reduction in income. He tells us here that he has a formula to take into account the cost of farm production, but there is nothing that would prevent him from supporting potato prices under the existing legislation, for example. The minister can support any commodity that requires support in order to increase the farmers' income. He is not doing it; he is running around telling everybody that their prices are too high and that the farmers need more money, yet he will not do anything about it.

● (1250)

He has legislation in effect today to do this. The minister can run around telling everybody that legislation is being introduced, but now is the time to act. He makes speeches in which he threatens one group or another. Obviously he cannot do anything about the cost of production, but he can do something about the income of the producers. The minister has the legislation but is not acting on it. Now he says he needs more. This is all window-dressing which makes it possible for the minister and all his supporters to write letters and have every newspaper in the country, every week, write columns in which it is suggested that amendments have been introduced to the Agricultural Stabilization Act. Then everybody sits and waits in expectation.

What happens? The farm incomes will go down about 15 per cent. The minister says he will guarantee a certain cost of production and that he will set it at 90 per cent. At best this is a backward process. It is to be set at 90 per cent of what the producers have had in the last five years. The fact is that cattle are supported at 154 per cent at this moment, and farmers find this insufficient for their needs today. We might take a look at the cattle industry. The minister did not have to stop at even 154 per cent. The farmers' unions have been asking for a support price of $65 per hundred, while at this moment I believe it is $45.42 per hundred. The minister has one thing stuck in his head.

An hon. Member: Otto Lang.

Mr. Korchinski: No, not Otto Lang. The minister has marketing boards stuck in his head. This he considers to

be one cure for all the problems. Do you know what the minister represents?

An hon. Member: Eggs.

Mr. Korchinski: Yes, he has egg all over his face. The minister represents restricted production. The minister has told us that he will take into account the increase in the cost of production and other needs. I might mention some of the things we see when we pick up the newspapers. I will give one example. I see that the posties are demanding a 71 per cent basic salary hike. Their present salary is $4.59 an hour and they are asking for an additional $3.26 per hour, which will bring their salary up to almost $8 per hour. A salary of $8 per hour, calculated on a weekly basis, represents almost $300 a week.

Without arguing the pros and cons of the demands of these workers, may I say that these people come in at an appointed hour, do a certain amount of work and no doubt have a coffee break and a warm place waiting for them. No doubt a cafeteria is provided for them so they may have their lunch, and so on. I have seen some of these things around the departments, and it seems that they are ready to leave about 15 minutes before quitting time. Like horses at the starting gate, they wait for the bell to ring and are off to catch a bus. That is as far as their responsibility goes.

I wonder how many people would like to receive $300 for a steer. If one had 50 steers a year, this would represent $15,000, equal to the posties. This does not necessarily mean that that would be clear money, because not only must the producers pay for the feed but they also have their capital investment, the land, the interest and the input costs. The producer must consider all these things before he can think about the same amount received by one worker. This amount of $15,000 would equal the sale of 50 steers.

If this minister were realistic and realized what is going on around him today, and if people such as the posties have the right to make such demands, then the minister has the right to ask the same for the farmers. His responsibility does not end just by making a speech. He must do something with the legislation he has before him, and he has not done so. There is no indication that he intends to do this. This is what is so frustrating to us. The minister could have been doing something, but instead he stands up and says that rather than a ten-year average there will be a five-year average, and the guarantee will be 90 per cent.

Why must the minister stop at 90 per cent? What is wrong with 100 per cent? This still would not be enough: with the addition of the cost of production, it would only be a break even point. What is the minister's explanation for setting the support at the level it is? It is not intended that the producers make a profit; this is a "stop loss" program. I wonder how people like this when it comes from the Minister of Agriculture who is touted around the country as being a friend of the farmer.

Some hon. Members: Hear, hear!

Mr. Korchinski: As a farmer, if he said he was my friend I would expect him to put money in my pocket instead of just using a lot of words and hot air. His supporters, instead of telling him there is something wrong with this legislation and that not enough is being provided for the farmers, run around telling the people that the minister is a great guy. This is the extent of their responsibility. This is supposed to be agricultural policy but this bill is a waste of time. I must point out again that the minister has the authority to do something about the situation and is doing nothing.

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Korchinski: Mr. Speaker, before lunch I was saying that the minister had travelled through this country leaving the impression with the press and with all those who cared to listen to him that he was introducing updated legislation, and that it was necessary for the survival of the farming industry. In fact, he even left the impression that this would improve the business of farming. However, I was able to point out in the course of my remarks that the minister already had the necessary legislation which was passed by a Conservative government, and he did not have to run around the country making speeches and suggesting that further legislation was necessary. What he does not have is the will to work for the people, and will cannot be legislated. It will be up to him and his colleagues in the cabinet to produce that will. If there's a will, there's a way, as has been pointed out to the government frequently in the last 16 years since this legislation was first introduced.

Let me illustrate a point with regard to the stabilization of the price of certain commodities, for example, certain grades of cattle. Under the present bill the government has extended the stabilization program for the first time in 16 years. When one looks at the annual report, one finds that it contains no mention of cattle; but for the first time in 16 years the government is proposing to stabilize the prices of cattle, specifically of grades A, B and C. Of course, those are not the only grades of cattle. The minister must realize that if we are to assist farmers, we must provide them with sufficient income to enable them to stay in farming. However, obviously the minister will not do it because he does not have the will. Another approach must be adopted.

● (1410)

I should like to go on to another matter. The other day the hon. member for Peace River (Mr. Baldwin) asked the minister about the possibility of a stabilization price for honey. It may interest this House to know that not only do we produce grain and a lot of cattle in the area I come from, but we also produce honey. There is a need for stability in that product. The minister wanted to know what kind of a system there was for marketing honey, and that implied to me that the only way producers will get stability is to go to a marketing board. That is the only purpose the minister has in mind, I believe; but he does

not need a marketing board in order to provide stability. There is no marketing board for cattle and he can provide stability there, so he does not need one for honey.

Several years ago a subsidy was provided for wool, but then it was dropped. It had amounted to something like $12 million. My information is that the subsidy was dropped because production was not increasing sufficiently. That would appear to mean that perhaps the subsidy was not high enough to entice producers. It seems that in the last few years all the problems of agriculture have been solved by gradually cutting down the number of producers and the amount of production to the point where we have to import commodities.

It is amazing that a country that is so forward looking in other ways should be so backward in its thinking in this regard. It seems there is a stigma attached to agriculture. If you speak on behalf of agriculture, you are not supposed to know anything else; this is the prevailing attitude. It does not matter what kind of background you come from, if you are associated with an occupation other than agriculture you are on a higher level. As a result of depressed prices we are losing farmers every day and a strange parallel is developing. Just about a year ago we were told we had ample supplies of natural gas: we had oil to burn, so to speak; we were able to export it and did not have to pay any attention to fuel consumption in automobiles, and so on. Then suddenly there was a great shortage and we started scrambling in the other direction.

We now find ourselves in the same situation with regard to agriculture. I think we should treat the farmers as well as anybody else. The posties have demanded a 71 per cent increase in salary, which would bring them to something like $8 an hour. Surely we should pay the farmer an adequate price for his commodity and encourage him to stay on the land. Farmers do not want a guaranteed income just to sit around and do nothing, and I am not suggesting this; but I am in favour of paying them enough for their products so they will see the advantage of staying in production. Farmers can take their ups and downs. The annual report for 1973-74 published by the Agricultural Stabilization Board shows that $1,459 million was spent to stabilize the prices of commodities during the 16 years to 1974. Of this amount, $875 million was transferred to the Dairy Commission, $92 million was for hogs and $154 million was for milk. Indeed, if you take away all the dairy aspect of the subsidies, only about $300 million was spent in subsidies for other agricultural products in that 16-year period. Mr. Speaker, this is not sufficient to keep farmers in production.

Farmers have accepted quotas for the production of wheat for human consumption; indeed, they have been asking for it for years. This shows that they are willing to accept quotas, but they want a good price for the commodity. We should gear our production policies beyond our domestic requirements, however, to the extent of 10 per cent or 15 per cent to provide protection against the difficulties of nature and other circumstances over which we have no control.

The world will always demand food and as taxpayers, not as individual producers, we should willingly donate any surplus to the hungry people of the world. If we can obtain agreements in this respect with other countries, that is fine, but if not we should do it alone. If necessary, we should build storage facilities so that when the time comes these commodities will be available to others. A shipment of grain destined for Pakistan, where people are starving, cannot leave the country because of a stupid shipping tie-up. When we have to work under a threat with a gun at our head, so to speak, it is time that we had storage elsewhere. We have a moral obligation to the rest of the world. We have the capacity, the ability and the know-how to produce grain and many other commodities, but we have only diverted $300 million in 16 years, roughly $20 million a year, to encourage production.

We are not doing a lot for agriculture. The minister reminds me of a puff-ball. Anybody who has walked around on the prairies knows what a puff-ball is. It is big, but if you step on it there is a cloud of dust and then nothing. With this minister you might expect something solid in legislation, but when you test it, there is nothing there. If the government were to say, "We will base support prices on other prices prevailing in society, plus 10 per cent," we could go along with it; I do not think farmers would argue with the minister. But he wants to base support prices on the average prices of the last five years. Mr. Speaker, nobody wants to work for last year's salary. Why should agriculture be forced to produce for prices that could be as much as five years old?

● (1420)

What is wrong with the minister? He is like a car with only a reverse gear. It is time he looked forward. Farmers must be enabled to produce enough income to support themselves, otherwise they will go out of business. We do not need the sort of "stop loss" program the minister introduced for cattlemen. How can he protect them adequately with such a program? It is not enough. As it is, cattlemen are not earning enough and the minister's program will only prevent great losses. I do not see how it will enable cattlemen to survive. That is why I say the minister's policies are backward-looking. Why, even now some people are demanding 71 per cent more salary than they were paid last year.

I find that the price guarantees in this bill are totally unacceptable. When you consider the minister's record you will not be reassured that farmers of western Canada or of other parts of the country will be induced to stay in agriculture. With farmers leaving the farm our situation will become difficult. I think that cattlemen have already touched bottom, so to speak. The minister can manipulate the price structure any way he wishes; he can base it on quarterly figures, yearly figures, or any way he wishes—but what good does that do if he will not act? I wish the minister would take into account increases in production costs when considering support levels. He might take some flack from consumers, and Mrs. Plumptre might make a nasty speech about him, but he would be doing the right thing. It is no good saying what must be done and then doing nothing. The minister could do the right thing; he has the means but not the will.

The government, with its majority, will force this bill through, but its approach to the establishment of marketing boards is faulty. The minister comes from an area which produces considerable quantities of milk. I know milk producers face difficulties, but they are not the only

ones. If we can spend large sums of money on the dairy industry without being hurt by taxpayer flack, I suggest we can spend similar sums on other areas of agriculture. The national interest demands the support of agriculture. After all, amounts spent on agricultural support will not be overly significant, given total government expenditures which, with supplementary estimates, will approach the $30 billion mark this year.

Frankly, I do not think we need this bill. It does not give the minister powers he did not previously possess. Subparagraph 1.1 of clause 5(2) on page 4 of the bill reads:

For the purpose of stabilizing the price of an agricultural commodity, the board may exercise such other powers as are prescribed by the governor in council for that purpose.

In other words, it does not really matter what the board says, as the decision depends on the cabinet. An order in council must be passed. Mr. Speaker, the old bill contained the same provision; an order in council was necessary. If the minister wants to save the agricultural industry, he will need to act on sound advice. It is clear that in the next year or so there will be a shortage of cattle, primarily because cattlemen cannot survive at present-day prices. The industry will only survive if it is told, under some sort of program, that Canada will require such and such an amount of meat in the next given period and if the price paid for the meat is fair and bears some relation to cost of production. Never mind "stop loss" programs. Don't look back. I ask the minister to look forward, otherwise the situation in agriculture will be comparable to the situation in our petroleum industry. Already we are being told about petroleum shortages.

As the hon. member for Battle River (Mr. Malone) pointed out clearly and ably, our farmers will only produce the food needed for feeding our population and the starving peoples of the world if conditions are right and if they are induced to stay in food production. If conditions are not right, they will leave the business of farming and we shall all lose. This bill is not adequate. The minister is looking back. Only if he turns round and looks forward will he provide the stability for agriculture which is necessary if the industry is to survive.

I do not think I need say any more except this: I hope that one year from now we shall not find that the agricultural producer's income has declined and that the minister has done nothing to help him. So far he has not demonstrated that he truly wants to do anything. Mr. Speaker, it is not a change in legislation that we need; it is a change in attitude.

Mr. Jack Murta (Lisgar): Mr. Speaker, I shall make a few brief comments on Bill C-50, the agricultural stabilization bill. The hon. member for Mackenzie (Mr. Korchinski) covered many of the things I wanted to say. His comments about the public profile of the Minister of Agriculture (Mr. Whelan) were particularly apt. I will not dwell on the lack of action in implementing satisfactory agricultural policies. We on my side of the House will in all probability support this bill, but we do not underestimate the dangers inherent in this type of legislation. I am troubled by that part of the bill dealing with support prices across Canada for a commodity. Clause 1(4) on page 2 of the bill reads in part:

Agricultural Stabilization Act

The powers ... conferred by this act may be exercised in relation to an agricultural commodity throughout Canada or in any region in Canada when, in the opinion of the governor in council, the market situation for the agricultural commodity in that region is substantially different from the market situation therefor in the rest of Canada.

The bill will assure that the regionalization of support prices will be recognized, but the cabinet is to make this decision. It can be assumed that in any democratic country like Canada, intervention by the federal cabinet will be based on a political decision taken at a given time. Quite possibly, the decision would be based on political expediency and the desire of the party in power to retain power. This is certainly an area that we on this side of the House would like to see changed for the good of agriculture. When the bill is passed, farmers of that particular commodity from that region of the country who want a specific amount of money will, because of low prices, have to lobby with the government. A lot of valuable time will be lost; the minister's time will be taken up with the various lobbies that must take place because the decision will not necessarily be set down but will be a political judgment by the cabinet of the day.

● (1430)

I wish to raise a point that does not necessarily pertain to the bill. The support price is available for all commodities, as I mentioned before, only in certain regions of the country. This brings me to the point that is starting to be of major concern to many Canadian farmers and farm organizations. Three provinces have already moved toward what has been called a guaranteed income. British Columbia is into this to a certain degree. According to press reports, Ontario is looking at it, and Quebec is certainly looking at it. At the present time there is talk of drafting legislation to be brought forward within the next few months.

When we talk in terms of a guaranteed income we must realize that this will come about in various forms; it will not be standard across the country. Programs would not necessarily be criticized to the extent they are if they were not always tied to production controls. I have not seen all the programs and I have not talked in detail to the ministers involved in drafting the programs; however, it certainly appears as though the guaranteed income approach will be attained through controlling supply and production allocating quotas, and so on. I come from a part of the country which produces more than its people consume. I refer to western Canada. This whole approach could ultimately eliminate the kind of exporting western Canada must do if we are going to maintain a viable agricultural base.

I hope the Minister of Agriculture is looking at the problem. It is of grave concern in various regions of the country. Farmers feel they could not operate under this kind of guaranteed income approach. If this were carried to its logical conclusion, there could in effect be ten so-called guaranteed income programs, one in every province, if in fact the provinces wanted that and if the population or tax base were there to warrant that kind of expense. If that happened, Canada could conceivably be divided into ten regions. In that event it would be very difficult to move products from one area to another

because of the controls involved, our borders and the balkanization that would take place within this country.

If we are going to have any kind of guaranteed income, and I suppose it could be justified for certain commodities, I firmly believe the base for that kind of approach must be established by the federal government. With this legislation, one of the provinces I mentioned previously could supplement the federal money and use it to help run its own guaranteed income program. With the kind of land base and people base we have in this country, I do not know whether Canada is ready for that kind of agricultural program.

I am certainly not an expert on the guaranteed income approach as far as the Quebec situation is concerned. While it may be commendable for some commodities produced in that province, it appears to almost be a European Common Market approach to agricultural problems, whereby you become involved in price support to a very high degree over a period of time, and it disrupts normal market functions. I would not want to see Canada become involved in that to any great extent. I hope the Minister of Agriculture will give consideration to the concerns that have been echoed in this debate and across the country. The minister has discussed the matter with people in various parts of Canada. If the provinces each go their own way for the good of the province, this could have a devastating effect on agriculture in the future.

Talking now about stabilization and the bill itself, the minister will hear one criticism when he brings the bill to committee. Farm input costs have increased tremendously. The price of everything a farmer has to purchase to grow a crop or feed his animals has increased so rapidly that 90 per cent of the five-year average may not be adequate. Because of the present inflationary cycle it may have no significance. This should have been done in the mid-sixties when there was a much lower rate of inflation; price increases did not occur on an almost monthly basis. Looking at the past five-year average, it might have worked; however, I frankly do not think it will have any bearing on the present long-range future of the commodities affected.

When we get to the clause by clause study of the bill I hope the committee will consider this question in total and come up with an amendment to meet the present economic situation. The cost-price squeeze which farmers experienced in the years 1969-71, and from which we moved away to some extent during 1973 and 1974, is back with us again. Farmers have not yet realized the extent of the squeeze which is likely to be forthcoming. In the last few weeks there has been a drastic decline in the prices of most agricultural products. Blame for this cannot be placed on any one government; it is a consequence of general instability in the economy and I cannot see us moving away from this situation for some time. The farmer-businessman who is keenly aware of his costs, and who knows what he must do in order to keep pace with them, is the farmer who will survive what I think is likely to be an extremely difficult period in the next year or two.

● (1440)

There will be opportunities to give the bill further scrutiny in the standing committee. I should like to see committee members sit down with some of the officials and try to agree on an amendment which implies less attention being paid to cost averages when fixing floor prices. Remember, the situation today is different from what it was even two or three years ago and, as I have suggested, the biggest factor has been the rate at which costs have increased. The bill will pass whether the committee does this or not, but unless it is amended it will not prove to be of any real help to the people it is intended to help. I therefore hope that all members of the committee will work toward an amendment of the kind I have outlined. Such a change is needed, and in the future I think it will be desperately needed by farmers in Canada.

[Mr. Murta.]

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to say a few words on this bill before it goes to committee. I support the bill. I think we have to recognize that it attempts in some way to provide a reasonable support price for specific agricultural commodities. Of course, such legislation is in no way a substitute for an aggressive marketing policy, something we badly need. We have shown that we are efficient producers, yet in the last five years we have become a net importer of agricultural products. Thus, one of the main priorities—and I am sure the minister shares this point of view—must be to work out effective marketing programs rather than speak about production control and supply management.

Producers want to produce. They do not want to be bound by quotas and regulations. They do not want an agriculture policy which causes them to look inward but, rather, a policy which will create a desire to produce in abundance. I confess I find some contradiction in government policy in this area. We hear the Minister of Agriculture (Mr. Whelan) telling farmers to produce to beat the band, and the minister in charge of the Wheat Board (Mr. Lang) says the same thing. At the same time, we hear the Minister of Agriculture talking about supply management. I find it difficult to reconcile these two points of view. When you have asked farmers to produce to beat the band it is difficult to expect them to take kindly to the imposition of quotas and restrictions.

The egg marketing board attempted to control production, albeit ineffectively. What we saw as a result of the efforts made by CEMA was the greater concentration of production in the hands of relatively few people. Two provinces in particular took advantage of the situation and overproduced, as did a number of individuals. Unless we are prepared to place policemen on duty in every egg-grading station, it will be impossible to supervise a supply management program effectively. I do not think agriculture is ready for restrictions of this kind.

Then, again, as members who sat on the committee inquiring into CEMA know very well, it is impossible to administer a program of supply management in the absence of control over importations of the product concerned. I may be wrong, but I believe that among the conditions under which the provinces agreed to become parties to the national egg marketing plan was a stipulation that there should be effective import control; in other words, the imported eggs would be considered on the same basis as though they were supplied by another producer, otherwise there is no possibility of getting a supply management program to work effectively. According to a

Canadian Press report quoted by a Prince Albert newspaper, a member of the executive of the Canadian Egg Marketing Agency said on Friday that the agency—

—is having serious internal problems and will either succeed or fail during the next month.

● (1450)

Harold Crossman, one of three executive members on the agency, says the oversupply of eggs in Canada has led CEMA to ask Ontario and Quebec to reduce the number of their laying hens.

Mr. Crossman said he is not optimistic about the agency's future.

He said Quebec would have to make reductions of about 11 per cent and Ontario about 9 per cent.

That agreement was entered into supposedly in good faith, yet we have a situation where the producers and the provinces failed to uphold their terms of the bargain. Indeed, the federal government failed to uphold its terms of the bargain in that it failed to control in any effective way the importation of eggs. The operations of the national egg marketing agency can only be described as nothing less than shameful and wasteful. After all, this is the reason we lost 28 million eggs. Certainly at this juncture it does not augur well for Canadians to be party to a situation where we have people in this world starving and anxious to get their hands on this kind of food, yet we waste it carelessly.

In my opinion, the federal government has not provided a fair climate for giving Canada's agricultural producers confidence in the economy. The producers of this country are entitled to a fair return so as to cover their cost of farm input, production, management and labour. Certainly that is a worthy goal. I realize this bill goes part way in an attempt to achieve that goal, but in my opinion many of the things done by the federal government over the last two years have not necessarily worked toward providing the right kind of climate. As a matter of fact, there have been a number of irritating measures put forward by the federal government. For example, there have been a number of ad hoc, piecemeal attempts to correct industry that is in trouble, but these have met progressively with failure. Since the Minister of Agriculture assumed his portfolio there have been in the order of 29 variations of policy in the beef industry. How, in the name of heaven, can a beef producer plan his future with any degree of certainty in such a situation? Did the minister say he accepted that?

Mr. Whelan: I said you cannot say I will not accept change.

Mr. Mazankowski: That is quite true. I would never accuse the minister of lack of trying, but when there are 29 different policies affecting the beef industry in a period of two years, this must bring about utter chaos, confusion and frustration. The cattlemen are not used to this kind of government intervention.

Mr. Whelan: Are you suggesting they have not asked for assistance?

Mr. Mazankowski: No, I am not suggesting they have not. When an industry is in trouble, particularly the agricultural industry, it must go to the federal government and seek its advice, guidance and wisdom as to how to save itself. The minister professes to be a farmer himself, so surely, with the backing of all his bureaucrats, he should have the ability to iron out a policy that will be effective. The minister has access to information that the average cattleman or member of parliament does not have. He has constant access to the international marketplace and the market south of the border. Yet we have this dastardly, piecemeal approach that has thrown the beef industry into utter chaos.

I remind the minister, who champions the cause of the farmer and producer, that it was under his guidance and administration that we started manipulating and mucking around with the tariff structure between the United States and Canada. So far as our dealings with the United States are concerned, it seems to me that had we not embarked upon unilateral approach of developing a system of proportionate quotas and reciprocal tariffs, we might have been able to work out a better arrangement. In view of the lack of consultation and co-operation, it seems to me the responsibility for this has to be laid at the doorstep of the minister.

There have also been a couple of beef stabilization programs, and here again the minister, at least on the surface, tried to assist the beef producer. But what has been the effect of these programs? We have had nothing but lofty words. Not a nickel has been paid out at this point in time to the cow-calf producer or to people who raise slaughter cattle. As a matter of fact, we are informed that they might get six cents out of the cow culling program.

Mr. McKinley: The 2 per cent guys.

Mr. Mazankowski: That is right. It is almost a non-program. I remind the minister that at a time when producers are selling canned or cut cows at four cents a pound, a six-cent subsidy is not going to defray—

Mr. Whelan: It was 24 cents yesterday.

Mr. Mazankowski: Well, I can table, for the minister's information, evidence showing that a couple of weeks ago cows were selling at four cents a pound. As a matter of fact, I ought to put on the record the fact that in my area a producer sold three cows weighing 2,560 pounds at four cents a pound, and by the time he paid his trucking and commissions he ended up with $69.61 net for the three cows. Surely, this kind of nonsense cannot continue, and if it does it can only do more harm to an already precarious beef industry.

In addition, there is discrimination in the minister's beef program. A producer who may have sold his slaughter cattle for 50 cents a pound will get as much, in the end result, if a subsidy is paid, as a farmer who gets 30 cents. I think that is unfair. Furthermore, what can a producer who has cattle ready for market do when he cannot sell them and the packers simply do not want to take them? I urge the minister to take another look at his beef stabilization program and to consider the possibility of averaging over a quarterly or six-month period, so he can put some money into the hands of the producers when they need it and who at the moment are going out of business or have their backs to the wall, particularly the small producers.

Another way in which the government has failed to produce a climate that is conducive to a strong agricultural industry is in its failure to deal with inflation. Input costs over the last two years have increased appallingly. I should like to refer to a *Free Press* report on farming for November 16, 1974. This report gives a pretty good outline of the way in which input costs have risen over the last five years. For example, 11-48-0 fertilizer cost $103 per ton in 1970; this year the projected cost is $200. Weed spray, 2,4-D Ester, five-gallon pails, in 1970 cost $24.95 and the projected cost in 1975 is $70.

● (1500)

Carbyne in 1970 cost $59.90 for a four gallon pail, and the projected 1975 price for that same pail is $75. Avadex was $78 for a pail in 1970 and the projected 1975 price for that same pail is $92. I could go on to tractors, diesel fuel and what not, but the point is that most of these things are manufactured in this country. We hear the argument that our inflation is imported from abroad, but that certainly does not hold true in respect of these products which are manufactured here.

The over-all approach of the government is that we must learn to live with inflation. I suggest the government by its policies is fanning the fires of inflation, and this has caused a great deal of the difficulty in the agricultural production sector of our economy. The hon. member for Lisgar (Mr. Murta) talked about past averages. If the government does not adopt an effective anti-inflationary policy these past averages will not work to the benefit of the farmer. This policy of failure on the part of the government does not only perpetuate these difficulties in respect of the producers but also in respect of the consumers and everybody else.

The government has also failed to deal effectively with strikes. All we see in newspaper headlines today are references to strikes in various parts of the country. The Ottawa *Citizen* of Friday, March 7, carried the heading "Govt. should end strikes: wheat pool official". The Edmonton *Journal* of the same date carried the heading "Government won't end grain tie-up". Why will the government not act on these matters?

An hon. Member: They don't care.

Mr. Mazankowski: This minister does not have any impact with the cabinet when he speaks on behalf of the western farmer. I would like this minister to tell us how he can sit idle and allow 300 or 400 grain weighers and samplers to tie up the movement of grain out of western Canada.

An hon. Member: What about the longshoremen?

Mr. Mazankowski: The longshoremen were not on strike on February 17, but they are now. When the Public Service alliance embarked upon a program of rotating strikes, why did it choose to single out the grain moving industry by imposing on that particular trade a continuous walkout?

An hon. Member: Get back to the bill.

[Mr. Mazankowski.]

Mr. Mazankowski: The minister of health suggests I should get back to the bill. I am talking about costs which have to come out of the earnings of producers in this country, and I have pointed out that this bill will not help them in defraying these unnecessary costs. The only thing that will help them is strong decisive leadership from that group over there. The Minister of Agriculture sits there very smugly, and suggests that we must let the collective bargaining process take its course. I suggest that when 300 or 400 grain weighers and samplers can tie up a multi-million dollar industry it is absolutely shameful. The minister cannot take consolation in the fact that his colleagues say we must not interfere with the collective bargaining process. Surely the public interest is more important at this stage of the game than the interests of these few hundred people. The government could act, but it has failed to do so.

The minister can boast very boldly about this piece of legislation. I am not denying him credit for introducing this bill, but is he prepared to recommend to his government that the producers who are being severely affected by these strikes should be given some protection or some insulation? They paid the $17 million demurrage bill last year. That was a total waste of money, but nothing compared to the loss of something in the order of $200 million to $300 million in income to the farmers. This loss is being incurred because of our forward sales agreements which establish the price of grain at the time of delivery. There has been relatively no grain shipped for the last month, and prices have tumbled in the last 60 days by as much as $1 to $1.50 a bushel. In spite of that this minister, who contends to be the champion of the farmer, will not put pressure on his cabinet colleagues to move to help those farmers immediately, and not on the basis of a five year average.

The solutions are not simple, but they require some guts and some leadership. Transportation is another area directly related to the income capability of producers. The minister in charge of the Wheat Board talks about abandoning Crowsnest pass freight rates, and the Minister of Transport (Mr. Marchand) says we are not going to touch those rates. This creates confusion, apprehension, and frustration in the minds of producers in western Canada. It seems that, if we do not have a strike that slows down the movement of grain, we have a transportation failure.

The philosophy of the government is to use a lot of words, mouth a lot of expressions, but when the chips are down it fails to come through with any meaningful actions or programs of assistance.

Mrs. Holt: Whine, whine, whine, whine.

Mr. Murta: Now, Simma.

Mr. Mazankowski: The minister's legislation is acceptable, but I must say that it was conceived by the Progressive Conservative Party back in the late 1950's. It seems that any good legislation in the last 15 years was inspired by the Conservative party, and most of it still forms the beneficial cornerstone of our agricultural policy.

The only agricultural policy the government seems to refer to is that policy enunciated by the task force report on agriculture. Our marketing legislation and the grain

stabilization bill seem to have emerged from that report. That task force report was a product of the bureaucrats, and I hope this minister will dissociate himself from it once and for all. His former colleague did not dissociate himself from it, and look what happened to him.

Let me conclude by reiterating that we do not need lofty pieces of legislation. The producers in western Canada need assistance right now, particularly in the movement of grain but also in other fields, especially the cattle industry. Most of this assistance can be provided by the government through order in council, or by the adoption of adequate policies. Perhaps all that is required is a shift in government policy. We certainly do not need complicated legislation. As my hon. friend suggests, all that is required is common sense, guts and leadership.

I hope this minister will consider these problems right now, because by doing so he might save an industry that is on the verge of going under and speak of the beef industry. Perhaps the minister is willing to meet with members on this side who are concerned with agriculture in order that we can work out something together.

We have always supported the minister in respect of good legislation, and we will continue to do so. We must impress upon him the importance of dealing with these specific problems right now. If he does not deal with them soon it will be too late to do any good for the producers or, and just as important, the consumers in Canada. If he does something he might even get back the support of his colleague, the hon. member from Windsor, who is the champion of the consumer. The two points of view are not contradictory. I think in order to have a good productive sector in agriculture we must have people who can buy and can afford to pay the price. So, I commend these suggestions to the minister. We will certainly support his bill and hopefully he will support some of our suggestions and amendments in the committee.

● (1510)

Mr. Whelan: Mr. Speaker—

The Acting Speaker (Mr. Penner): Before I recognize the minister I remind members of the House that the minister's statement will close the debate on this bill.

Mr. Whelan: On a point of order, Mr. Speaker, I believe the hon. member for Richelieu (Mr. Côté) wishes five or six minutes to make a contribution. If it is agreeable to the House this would be agreeable to me.

[*Translation*]

Mr. Florian Côté (Richelieu): Mr. Speaker, I believe I have always been somewhat like the hon. member for Okanagan Boundary (Mr. Whittaker) who, on starting his remarks, said he was a wise man. Like him, for many years, I have tried not to keep the House too long and simply repeat speeches to get my name into *Hansard*, to show that I had spoken or that I knew this or that.

So, I have been good, and today I did not even want to speak because, knowing the importance of this bill and the good results it can have, I would have liked to have seen it passed as soon as possible. But when the hon. member for Mackenzie (Mr. Korchinski) spoke a while ago, I said to myself: It is almost impossible to overlook all those remarks. Two things occurred to me: either he knows nothing about the administrative past of his own political party, or else the hon. member for Mackenzie (Mr. Korchinski) and the hon. member for Timiskaming (Mr. Peters) repeated each other. I then thought of putting a question to the hon. member for Mackenzie because his remarks were exactly contrary to the accusations of the hon. member for Crowfoot (Mr. Horner) against the minister.

I agree with some hon. members that that bill will bring no fundamental change in the field of agriculture. I agree that the bill should be introduced as soon as possible, but I did not understand why one hon. member had followed another in such quick succession to study the bill until today, to then refuse to refer it immediately to the committee. One hon. member followed another hon. member simply to kill time, without listening to each other.

On this side of the House, not too much of an attempt was made to fight back. I was offended when it was explained that the minister was only running around. First of all, my good friend for Mackenzie said that, to improve the bill, the minister should stop running about. It may be that the minister explains the agricultural policy throughout Canada well enough to describe to the population the preparation of some changes in the policy, in the philosophy underlying the adaptation of certain measures, and that somewhat hurts the hon. member for Mackenzie.

That hon. member, whom I tried to listen to with the most possible wisdom said: the Minister of Agriculture (Mr. Whelan) should do as he did in the milk industry in order that we realize that he is sincere about the measures concerning other farm commodities. What is amazing is that, last week, the hon. member for Crowfoot said: in agriculture, and especially in the milk industry, it is a total mess. Hon. members from eastern Canada should rise and scold the Minister of Agriculture. That is what the hon. member for Crowfoot was saying last week. On the other hand, the hon. member for Mackenzie is saying today that the minister should reorganize his policies along the same line as our dairy industry. There must certainly be a misunderstanding.

I suggest that the changes which this bill proposes, namely to use the average price over a five-year instead of a ten-year period, are important. What is still more important, however, is the adjustment on a yearly basis of base prices for farm products. I feel therefore that one and half or two years from now, we shall come closer to production costs. I do not want to take too much of the minister's time, but I want to make it clear that I did not agree with the hon. member for Timiskaming when he blamed the minister for providing the Canadian Dairy Commission with $140 million. In fact, he should check his figures, for these $140 million apply to last year only. He also blamed the government for establishing quota . . .

[*English*]

Mr. Peters: Mr. Speaker, on a point of privilege I wish to say I did not criticize the minister for making available to the National Dairy Commission $143 million, which figure the hon. member will find in the annual report if he takes the trouble look at it. Secondly, I would suggest he should read the bill and know exactly what he is talking about

rather than criticize other members who may have done so.

[*Translation*]

Mr. Côté: I do not know, Mr. Speaker, if you consider it a question of privilege. So he just said $143 million, but he is completely wrong again. I will not tell him the exact amount, I shall let him search so that he will remember it. I do not want to criticize hon. members in any way. I just want to know what they tried to tell the House. They claim that with respect to administration the government introduced no reasonable policy. Everything is criticized. I just want to let them understand that they should at least back their criticisms with figures, to have something real at least. Then we shall have to confess that the government is wrong. But right now their criticism is unfounded.

I guess the hon. member for Timiskaming might listen to me. I am going to ask him another question, and he may refer to the official transcript of last week's debates. He was then blaming the government for introducing quotas, and he said that it had resulted in dismal failure for the dairy industry. Quotas were not imposed by the government, but by us farmers. I was a member of the Farmers Union then. We asked the government to fix quotas for the dairy industry in order to match production with consumption.

Mr. Speaker, this is what I had to say. A question was raised by an opposition member, the hon. member for Lisgar (Mr. Murta), and I appreciated that. If we had had on the bill such remarks as those made by the hon. member for Lisgar, I believe we would not have strolled about so long, and probably we could have referred the bill to the committee last week. I support his suggestions, and I would like to discuss them with him, because they apparently make a lot of sense.

Instead of being criticized for roaming across the country, the minister should be encouraged to continue his travels. Instead of hearing speeches, we could have gone through 5 or 6 bills, now before the House, to help the farm industry. Those 6 bills could be voted and the minister could go and inform the people, which the opposition will not do because they are not interested in explaining legislative items.

This bill deserves our support. It may need improvements from year to year, and I hope that in committee opposition members will not take all the time. I have noticed that opposition members have control over the time of the House, while we on the government side control only legislation. Time is controlled by the opposition. This prevents us from getting the bills into the book. Therefore, next week or the week after, when the bill is deferred to committee, I would ask opposition members if they would agree that two or three representatives from each party state their views, vote on amendments and carry the bill through as fast as possible.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Yes.

[Mr. Peters.]

Some hon. Members: No.

● (1520)

[*English*]

The Acting Speaker (Mr. Penner): If the minister speaks now, he will close the debate. Is that agreed?

Some hon. Members: Agreed.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is obvious from the debate that I must try to set some things straight.

An hon. Member: Hurray!

Mr. Whelan: Bill C-50, contrary to what some hon. members have said, is important. Also, it breaks new ground in the stabilization legislation of Canada. Some hon. members have said that this is just old legislation to which some improvements have been made. Let us go back a few years. What was the first bill? The original agricultural support bill was established in 1944. In 1958 we had the first stabilization bill. In the bill before us we put forward the first major amendments to the original agricultural stabilization legislation.

We can even go back to the legislation which first established the Canadian Farm Loan Board, the present Farm Credit Association. This is being amended. Hon. members have said that we have created no new legislation. I ask, what do hon. members think the Canadian Dairy Commission is? The act establishing the commission was one of the most successful pieces of legislation ever created in the field of agriculture. It was passed in 1966. Some hon. members have asked why I have not put forward the same sort of legislation to protect the beef industry as I have for the dairy industry. Let us not forget that the legislation under which the dairy industry operates, and similar legislation put forward by the provinces themselves for fluid milk marketing are a supply management program. The dairy farmers in Canada today average about $2.75 a hundredweight more than dairy farmers in the United States. There is no other commodity that receives that kind of protection. All I can say is that this is not bad for quotas.

Mr. Mazankowski: That is why we are importing butter.

Mr. Whelan: The hon. member for Vegreville (Mr. Mazankowski) spoke about wheat. I would dare him to travel across the prairies and say we will get rid of the quota delivery.

Mr. Mazankowski: That is not supply management.

Mr. Whelan: Is the hon. member suggesting that what is good for one segment of the population is not for other parts of our society? I hope that is not what he is suggesting. When the hon. member was speaking about the labour groups I had the impression that he thought the Minister of Agriculture should say that that is a small, insignificant group, let us crush them like a road roller crushes a bug, push them out of the way, and make the elevators work. I had the impression that he thought those other several thousands are more important, that perhaps it is more dangerous to do something to them so we will let them do

what they want. Again I hope that that is not what he was suggesting.

I have said, and I am sure that the hon. member will agree, or at least I hope so, that we should have some system which would make strikes unnecessary. Many suggestions have been made about putting a matter before a parliamentary committee. A joint committee of the House and the Senate is right now today studying the Finkelman report, trying to work out solutions. I and other hon. members know that the work of the committee will not be completed in time to settle the present problem, but perhaps the committee can work out a system, or make some suggestions and report to parliament so that some solution can be found that will work. There is no denying that we must have such a system.

With regard to the beef industry, to which reference was made about 29 times, although I am not sure of that number because if one includes all the provincial programs it may have been even more than that, let me tell the House that our beef producers are 29 times better off than beef producers in the United States as a result of the action we took.

Mr. Mazankowski: Don't say that in Vegreville.

Mr. Whelan: The hon. member should not forget that rarely does the government move without some representation being made to us. We never take action without consulting the industry and the provinces.

I have been reading *Hansard*, and I have listened to most of the speeches made in the House in this debate, and I find that, with the exception of the last two speakers from the opposition, who did not criticize me for it, most hon. members have said that they think I should be present more often in the House. I would challenge them to find any other member of parliament who stays around here more than I do.

Some hon. Members: Oh, oh!

Mr. Whelan: I apologize to the hon. member for Winnipeg North Centre (Mr. Knowles). The fact is that nobody has ever seen him outside these buildings. Somebody has even said that he lives in the Peace Tower. I could never manage to be here as much as he is, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Somebody has to mind the store.

Mr. Whelan: I am a strong believer in not making people come to the government. There is nothing wrong with taking the government to the people. People get copies of the speeches I make—and hon. members even object to that—but I want them to know what I am saying, or at least to see a reasonable facsimile of what I am saying. I would challenge any one of them to find an inaccuracy in anything I have said, and I challenge them to do some research.

I told farmers to prepare for the future because times will not stay good forever. Never once did I say that I was totally responsible for the prices they were getting. The hon. member for Mackenzie (Mr. Korchinski) also took part in the debate. In his province income in 1974 increased by 360 per cent, and in the whole nation there was an increase in 1974 of 215 per cent.

Some hon. Members: Hear, hear!

Mr. Whelan: I admit there are some problems in agriculture, but to hear some hon. members who took part in the debate one would think there is nothing but gloom and doom in agriculture. It is my duty to state some of the facts. It must be admitted that the press in the big cities does not do the job it should in telling the people of Canada what the score is, so I believe in taking the government to the people. I myself do it on Wednesday nights when this institution is not sitting, and I also do it on Friday evenings and on the weekends, so let no one say to me that I am jeopardizing my job here. I work seven days a week, and that is my business if I want to make that sacrifice on behalf of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Whelan: I think there are two damn many politicians holed up in this place who forget that there is an outside world, and again I apologize to the hon. member for Winnipeg North Centre.

Mr. Korchinski: Mr. Speaker, I rise on a point of order. I did not say that the minister was going out too much. I said he was not doing anything here.

Mr. Whelan: I did not hear what the hon. member said. I am lucky, I have a slight hearing impairment after having run machinery as a young farmer and industrial worker. I have that affliction, which one is sometimes fortunate in having, because one does not have to listen to everything—that goes for cabinet meetings also.

Some hon. Members: Explain!

Mr. Whelan: I only accept one out of twenty invitations that I get. If I am saying bad things, tell me about it. People are certainly not telling me that I am saying so many bad things. I was accused of doing that just before the election in 1974. They said, "That is Whelan's job." I want it made plain here and now, Mr. Speaker, that the Prime Minister (Mr. Trudeau) or nobody else never told me what to do. They said, "You do your job the best way you know, and we will not stop you from doing anything." I felt it was my duty as minister not just to talk to farm audiences but to urban audiences also. Over 90 per cent of the meetings I go to are non-political; they are meetings called by service clubs, rural-urban nights, chambers of commerce—you name them, Mr. Speaker, and I have been there.

● (1530)

I was in Saskatchewan again last week. I can tell the hon. member for Mackenzie that I did not hear a thing about him because I do not think they have seen him for a while. One person told me he sees me more often in Saskatchewan that the hon. member for Mackenzie. He thinks he is holed up here in Ottawa or some place, and you know we have made special provisions for the hon. member, to go home every weekend on an airplane if he wants to, with a free ticket. He only has to drive a couple

of hundred miles through the beautiful province of Saskatchewan. That would do him good, and he could familiarize himself with it more than he has in the past few years.

Some hon. Members: Hear, hear!

Mr. Whelan: Hon. members opposite say the legislation has been delayed, Mr. Speaker, but they delayed it more than I did. I never called the election last July—they called it and delayed parliament several months. This should have been undertaken earlier but we delayed all these things, and I say we are delaying some of them too long at the present time.

I was also criticized for saying that we had inter-departmental discussions when we made decisions on agriculture, food production, etc. I told hon. members about the flexibility of the new bill, how it gives me wide powers, and gets the support of producers. I also said that in some of these areas governor in council approval would be needed, and that inter-departmental discussions were utilized. You would think I was a dictator or something! But, Mr. Speaker, we are running a parliamentary system. I believe in consultation, and on this bill we have had consultation with all farm organizations.

You would think that nobody had ever heard of this bill before, but in the gallery right now are members of the Stabilization Advisory Board with whom I met at noon today. They were appointed a long time before I came here. Indeed, I think some of them were appointed in 1958 when the bill first became law. I have a report from them on what they think of the stabilization bill, and I can tell you that they think it is a big step forward.

I see nothing wrong with departments that are concerned about trade and all these other things working together and coming to a mutual understanding on what we are trying to do about food production in this country. I have been accused of being just a representative of the farmers. That is a damn lie, and I will say so at mass on Sunday if anybody wants me to do that. It is a damn lie, because if I can make a strong agricultural industry, all society benefits, not just agriculture.

Some hon. Members: Hear, hear!

Mr. Whelan: The hon. member for Grenville-Carleton (Mr. Baker) insinuated that I tried to pit people against people, but I have never done that, Mr. Speaker. Some people in the media have tried to build that great war, but I would let the House know through you, Mr. Speaker, that the riding I represent is 90 per cent urban. It is mostly working people that I represent, and this kid was a factory worker. I was a member of Local 89 UAW CIO at one time. I have the respect of labour and the working people in my area, and I won the biggest majority in my life in the election of 1974. Anybody who says that I represent just a bunch of farmers is paying me the greatest compliment of all.

Nearly 75 per cent of our society in Canada—and the opposition had better take a few lessons from this—is rural oriented. These people are not fully one generation away from the farm. The biggest contributors to urbanization in this nation were from agriculture—bigger than all the immigration. And the immigrants who came to this country did not come from big cities, Mr. Speaker. They came from rural parts of the world, mostly from Europe. They are the people who make up society, they are the people who understand the problems of rural living, and that is why this government has their support also.

My reference to the five ministers and inter-departmental discussions was to make it clear to the House and the public how this government operates to co-operate programs for the good of Canadians. This is a matter of co-operation and consultation, and I commend this approach to hon. members opposite. It works, Mr. Speaker.

We talk about what we have done in some of the communities, and the hon. member for Okanagan Boundary (Mr. Whittaker) mentioned this the other day. Mr. Speaker, I have five pages of items of things that I have done for agricultural Canada since becoming minister. For hon. members opposite to say I have done nothing just proves that they do not even read our news releases. I think we have done nearly 400 things to improve agriculture.

Mr. Mazankowski: And 29 changes in the beef program.

Mr. Whelan: Our aid for storage to provide stability to the food industry in the Okanagan Valley has cost over $700,000, without any strings attached. They were improving storage so that they could keep food in better condition to supply the market in a supply management fashion.

Mr. Mazankowski: And 29 changes in the beef policy.

Mr. Whelan: That money has gone to 17 districts across Canada, but the area of the hon. member for Okanagan Boundary received the largest contribution.

Mr. Mazankowski: Tell us about the 29 changes in the beef policy.

Mr. Whelan: As Minister of Agriculture one of the first things I did was to protect the cherry producers in that area, something that had never been done before. Generally it was not done until after disaster struck, and then action was sometimes taken too late. For hon. members opposite to say I have never done anything but talk—by God, I love talking—but I love doing things too, Mr. Speaker. I can tell you that.

I could mention Alberta, Mr. Speaker, the richest province in the nation. Who takes more advantage of the loan program we have for small communities, community centres, etcetera? Naturally the province of Alberta does. I sign more agreements with the province of Alberta to build community centres—I just signed one with Edmonton for $6 million, and one with Calgary for $6 million and one for $4 million. They are going to take pretty nearly the whole fund we have set aside. We will have to use more supplementaries. I do not want the hon. member to criticize me because we are going to be helping Alberta, Mr. Speaker.

An hon. Member: We have a good government in Alberta.

Mr. Whelan: They need help out there, that is for sure. I have visited some of those community centres and I agree

with the programs to help keep the small rural communities alive. Its a helluva good program, and I only wish more provinces in Canada were taking advantage of it, but they are not taking advantage of it the way they should. That is one of our programs, Mr. Speaker. The opposition did not do that.

An hon. Member: We have a good Conservative government out there.

Mr. Whelan: Now let us talk about the national marketing legislation. Eggs have been mentioned here today. That is a good four letter word, Mr. Speaker; there is nothing wrong with it. Eggs are the cheapest thing you can buy today, and anyone in society who says eggs are too expensive does not know what he is talking about. There was never a time in our history when an hour's wages would buy so many eggs. I would ask hon. members to check anything they like, and I will say more about that later on.

They said that CEMA did a poor job of marketing. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) talked about "those gods who are running CEMA". Mr. Speaker, those gods were only farmers who were running CEMA. I dare him to ask any farm meeting out west, or any place in Canada, if they think they are gods. They never thought they were gods. They were just trying to do a job with the God given powers that they have, and they didn't do that bad a job when you think of the problems they had.

Some hon. Members: Hear, hear!

Mr. Whelan: They lost 1 per cent of total production, and they did not even know where the chickens were laying them. How can you condemn them for that?

You could look at the automobile industry in my area. The hon. member for Windsor West (Mr. Gray) did not say a damn thing about that the other day. The highest priced computers you can buy, the highest priced market analysts you can hire, the highest priced marketing forecasters you can get all made horrendous mistakes in the automobile industry. They did not know what happened. People quit buying cars. All computers told them was that production should continue, but did you see a request for an inquiry into that?

● (1540)

We know that losses in automobile production have cost this country 1,400 times the amount we lost when eggs went bad. Let me tell you, Mr. Speaker, that some of the experts on whose predictions automobile production is based earn more than the Prime Minister. We do not say that the difficulties in automobile production were the result of stupid marketing policies. If unemployment rises by 4 per cent in any district, the entire nation pays the bill for unemployment insurance. In my area unemployment is at the 10 per cent level because of the horrendous mistakes made by some high-priced market computer specialists. Do people say that the workers are at fault in this situation, or that marketing and computer specialists were wrong? Why blame the difficulties in egg production on agricultural producers?

I was surprised to hear a farmer condemn the system. I am not surprised when the hon. member for St. John's East (Mr. McGrath), or wherever the hell he comes from, condemns the system; he is liable to condemn anything. But I am surprised to hear a farmer condemn the good job being done in egg marketing.

The system is not without fault and the people running it are not perfect, but egg prices have not been as stable as they now are for a long time.

Some hon. Members: Hear, hear!

Mr. Whelan: I want hon. members to think about farmers and farm organizations; when they look at *Hansard* they expect to see a straightforward account of what this bill will mean to them. I hope they will derive more benefit from the last few speeches than they have derived from previous speeches. They look to this House for sharp, clear-cut, thought-provoking debate; they do not expect confusion.

Before I finish I want to set a few things straight for you, Mr. Speaker, and for the farmers of this nation. The bill calls for shortening the base period to five years. We did this because the ten-year period proved to be too long. Costs and prices can change so sharply in a ten-year period that the base price no longer does its job. And that is exactly what did happen. Right now the legislation on our statute books is little more than token legislation.

Let me refer to a comparison some hon. members have made. They say that all I have done is improve on old legislation. I ask them to think of what the Wright brothers did when they made the first successful powered flight at Kitty-hawk; then let them think of the sort of aircraft they fly home in, the DC-8 and Boeing 747. Certainly, these are airplanes, but they are big, magnificent improvements over the original. That is exactly what we are doing with this legislation; that is exactly the type of job we try to do in parliament. We do not tear down this institution and build it up again. We try to improve it all the time. That is exactly what we do on our farms. We improve livestock breeding, plant cultivation, horticulture, and our cultivation procedures. We try to improve all the time.

Mr. Mazankowski: Then bring in 29 more beef policies.

Mr. Whelan: That is exactly what we are trying to do with this legislation. I cannot understand all the criticism of this bill. Such criticism is not based on any philosophy.

Stabilization law must be more than just that. It is set up to be stop-loss legislation. However, to do its job the support price must be high enough to save efficient producers from going out of production when prices nose dive. There is nothing in this bill for those who are not productive. This legislation will not rob efficient producers of incentive, no matter what anyone says.

Many members have taken pokes at the five-year period. They say it is still too long. They would be right if the bill did not go any further; but it does, it goes a lot further. This bill builds an indexing system, and this index will be tied to everyday costs of production. This is our check on the five-year base. If the base lags behind changes in production costs, the index will make up the difference. The index will keep stabilization legislation current in the

same way as the cost of living index keeps a pensioner's cheque current. In the debate many members chose to overlook this index. Well, I will tell you one thing: if you overlook the index you are overlooking what farmers feel is the most important part of this bill. Farm organizations presented briefs to us in which they asked for this index. Think about that. What they want has been incorporated in this legislation.

Some hon. members of the opposition have charged that this bill has nothing new in it. If you want to know how off-base these charges are, ask a farmer. I will give you an example to prove my point. Say the bottom falls out of the price of farm produce X. The base price over the previous five years was $2, but the index shows the costs of production are $1 higher than during the base period. What does that mean to the farmer? It means that the supply price will be 90 per cent of $2, which is $1.80, plus $1 to keep stabilization in line with today's production costs. That totals $2.80 a unit. That is the minimum under the new bill. Under the law we now have the farmer would only be guaranteed $1.30 if the average price over the 10 years was $1.63.

On the farm there is a big difference between a floor price of $2.80 and a floor price of $1.30. Some members can say that is nothing. But farmers would again disagree. A price of $2.80 is 215 per cent of $1.30. Three factors lead to that 215 per cent increase. One is the five-year base period. The second is the index. The third is also important. The named commodities under this new bill cannot be supported at less than 90 per cent of the base price. That is up from 80 per cent. This 10 per cent increase has been belittled by many people as a petty change. In terms of cash in farmers' hands, it is far from petty. Some hon. members insist that the old legislation is able to cope with today's demands. That legislation went on the books in 1958. I have already explained that we need up-to-date legislation so that what we can do what must be done to meet the changing needs of society. The example I have just given you is proof that the legislation we already have is not good enough.

Some hon. members point out that the current act has no ceiling, so that we can shelve our new bill and merely raise support prices whenever we need them. There are two purposes to stabilization legislation. One is to give farmers a floor price that will protect them from ruin. If the floor price is high enough, the legislation also serves another purpose. It gives farmers the security they need to invest in land, buildings, equipment and stock. Farmers want a realistic support guarantee written into the law. Using the old bill would probably mean less cash in their hands. It would also definitely not give them as much security to invest in their farming futures. It would not give enough security if they want to borrow from a credit union or bank.

One of the criticisms hurled at this bill is that it balkanizes the country. It allows top loading. In short, this means that provincial governments and/or producers can pay the cost of boosting the base price about 90 per cent. The federal support will not give advantage to producers in one province over another.

The charges of balkanizing could be true if the government of one province raised the base price to 95 per cent or

[Mr. Whelan.]

100 per cent of the five-year average, while the level stayed at 90 per cent in the province next door. This could give one province's producers a competitive advantage over producers in another province. That is why any top loading of a product sold across Canada will have to be uniform in all provinces.

Say two provincial governments wanted to pay the cost of increasing the base price for hogs to 100 per cent and the other eight provinces only wanted to increase it to 95 per cent. If the two provinces would not agree on 95 per cent, then the federal government would have no choice. It would have to withdraw all federal money form the stabilization of that commodity in those two provinces. That is wielding a big stick, but we will use it to prevent federal money from being used to give one province an undue advantage over another. I am sure the provinces will respect this power.

The only exception is where the legislation provides for regional supports. This only applies where there are distinctly different regional markets in Canada for one commodity. Potatoes are a good example. Potatoes raised in the Maritimes sell in one market. Potatoes grown in the west sell in another. Few potatoes cross from one market to the other. So a regional stabilization plan in potatoes would not pit one region's producers against another's. It could work very well. But none of these plans for support will work unless there is a production agreement and a market for the production. I am not going to spend taxpayers' money on production so large that it would come out of people's ears, or on production which cannot be sold. That would waste our production capacities and waste energy and resources.

Some of you have called for the support level to be changed every six months. Some want it changed every three. Whether you know it or not, that is not criticizing Bill C-50. It can be done. But think for a minute, and you will find that it makes a lot more sense for some commodities than it does for others. Grain crops come off once a year. Because they can be sold in orderly fashion throughout the year there is no need to shorten the stabilization period. Where a shorter period may do a good job is in seasonal crops. When you ask for stabilization price periods to be shortened, there is one over-riding fact you must be aware of, and that is that every time you change the support level you risk disrupting the normal marketing patterns.

There has been a lot of dispute about the list of named commodities. I want to explain this. Cattle, hogs, sheep, industrial milk and cream, corn and soybeans, plus oats and barley produced outside the Canadian Wheat Board area are automatically covered under the new bill. And there is a good reason for this. These commodities, plus the prairie grains covered by the western grain stabilization bill, add up to more than 88 per cent of the total value of Canada's farm production.

● (1550)

No commodity is excluded from protection. I think I should repeat that. No commodity is excluded from stabilization protection. Butter and cheese are no longer named commodities because they are now covered by the Canadian Dairy Commission Act. The CDC receives money for its

support programs from the agricultural commodities stabilization account. Therefore, it is simply good housekeeping to strike them from the list of named commodities.

Eggs have also been dropped as a named commodity because the Canadian Egg Marketing Agency has the power to manage supply. They talk about more power. I think they are going to be given it because they are meeting at the present time, and will be meeting again next week. If CEMA is well run there should be no need to use stabilization legislation. Yet, as I said, no commodity is excluded. Eggs could come under the bill. The governor in council can select any product for stabilization if it is needed. Bill C-19 already guarantees a floor price for wheat grown outside the Canadian Wheat Board area.

There is one important part of the bill that has been poked at by members of the opposition. Some obviously do not understand how the deficiency payment works. Say the support price is $45 per hundredweight. However, farmers only got an average weighted price of $43 that year from the marketplace. What deficiency payment will the farmer get? He will be paid $2 on every hundredweight he marketed during that bad year.

That $2 is a flat rate. That is what the farmer who sold his animal for $46 per hundredweight will get. It is also what the farmer who sold his animal for $40 will get. The reason behind this is important, and it needs to be understood. Producers should not rely on a deficiency payment to make up for sloppy marketing, even in bad times. The way this legislation is written, a farmer who sells his product wisely and gets the top price will come out ahead. The farmer who does not market his product as wisely will be paid less. This way it is always in the farmer's best interest to bargain well and market wisely.

I resent people saying that this government did not put the legislation that is now on the books to its full use. That is hogwash. Between 1958-59 and 1962-63, the government spent a total of $220 million in stabilization. That worked out to about $44 million each year. Then the Liberal government came in. Listen to this. From then until the end of the fiscal year 1974-75 we spent $1½ billion. That works out to about $133 million each year, so do not say we do not do anything. Just think what you did not do with that good legislation you passed in 1958.

It is simply not true to accuse this government of not making the best use of the stabilization legislation we have had. In 1974-75 alone $318 million will be paid out in stabilization cheques, and that does not include the consumer milk subsidy or the two-price wheat support price.

Recently this House gave second reading to Bill C-34, amending the Farm Credit Act. The aim of the credit bill is to make more low-interest mortgage credit available to young farmers. This stabilization legislation we have before us goes hand-in-hand with Bill C-34. There is no way that young men and women should be encouraged to buy a farm without the protection of this stabilization legislation.

These are two planks in this government's farm policy. They are both part of the legislative framework that farmers need in the future. It is most important we have that.

This new legislation will let us do a lot more in stabilization. That's the plain truth. Some hon. members have charged that this is not the truth. They point out that because the main estimates for stabilization payments in 1975-76 are less than we paid out in 1974-75, this new legislation is backward, is not progressive.

They are wrong. The fact is that the main estimates in the Blue Book are for known expenses only. These are expenses that can be accurately measured for the coming year. The Blue Book estimates are, in fact, a minimum. In each year since we have had stabilization legislation we have spent more money than we budgeted in the main estimates—yes, in every single year. When the bottom drops out of the market for a farm commodity we need to be able to act right then. If we were pinned to the estimates in the Blue Book, how could we possibly respond to farmers' needs? Answer me that. When we need more money than the main estimates provide, we get supplementary estimates. Our Stabilization Act needs this kind of flexibility. If anyone wants to read the annual report they will see this happened for the past ten years.

Some have implied that we paid our stabilization payments with money from hidden sources. How can they possibly say that? Supplementary estimates are voted on, and each member knows it. Every dollar and cent spent on stabilization is on the public record. It is dishonest for any member of the House to suggest anything to the contrary.

Let us look at the figures the hon. member for Windsor West attacked. He points out that we spent $301 million on stabilization in 1974-75 but that the main estimates for this year are only $261 million. Therefore he concludes that we would make less use of stabilization legislation than we have in the past. As I said, that is not true. Remember that the main budget for 1974-75 was only $129½ million. We ended up spending more than twice that.

An hon. Member: Not so fast.

Mr. Whelan: I only have a minute to go.

As a matter of fact, and I think it is worth repeating, we have spent more than the Blue Book estimates in every single year that we have had stabilization legislation. Two years ago we spent $31 million more than was allocated in the main estimates.

Now let us take a realistic look at the Blue Book estimates for 1975-76. Sure, the main estimates of $261 million for this year are a lot less than we spent last year. But remember this includes no funds, not one cent, for two on-going programs. Neither the cow stabilization nor the beef stabilization legislation are included in these estimates.

There are many more things I could say, Madam Speaker, but I, too, would like to have second reading.

Some hon. Members: Hear, hear!

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Mr. Peters: Could I ask the minister a question in the one minute remaining before four o'clock? Will the minister explain why calves were not supported during the last year under the Stabilization Act when cattle, of which calves are a part, are a designated product? I am curious as to why calves were not supported when that industry is in

such serious difficulty, particularly because of provincial government intervention.

Mr. Whelan: Madam Speaker, we discussed all the pros and cons of establishing a possible program. I think this needs to be explained, and I will be glad to do that in greater detail before the committee.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Agriculture.

The Acting Speaker (Mrs. Morin): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills, notices of motions, private bills.

Mr. Lefebvre: Madam Speaker, I think you will find there is general agreement to take the bill standing in the name of the hon. member for Vaudreuil (Mr. Herbert), Bill C-231, to amend the Holidays Act.

The Acting Speaker (Mrs. Morin): Is it agreed that the bills standing previous to this bill be allowed to stand?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): There is agreement, Madam Speaker, but I hope that one day soon the hon. member for Windsor-Walkerville (Mr. MacGuigan) will present his Bill C-208. We have jumped over it quite a few times. If we do not deal with it soon, another Heritage Day will be missed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

HOLIDAYS ACT

SUGGESTED REPLACEMENT OF DOMINION DAY BY CANADA DAY

Mr. Hal Herbert (Vaudreuil) moved that Bill C-231, to amend the Holidays Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

● (1600)

He said: Madam Speaker, I do not propose to take the time of the House for very long. The purpose of the bill, as stated in the explanatory note, is to discontinue the use of the word Dominion in the Holidays Act and to eliminate the divisiveness caused by this word, so that all Canadians can celebrate their national holiday with pride and pleasure.

[Mr. Peters.]

There may be some disposition on the part of the House to refer the subject matter of the bill to a committee, in which case the bill could be discharged. The committee discussion would be of assistance to the Secretary of State (Mr. Faulkner) who will be bringing down at some future date—I hope in the early future—a measure to amend the Holidays Act, and this will embrace the general content of the bill now before us. If this should be the will of the House I would be happy to move that the subject matter of Bill C-231 be referred to the Standing Committee on Justice and Legal Affairs.

Mr. Knowles (Winnipeg North Centre): Somebody else will have to move it.

Mr. Munro (Esquimalt-Saanich): Is that a point of order?

Mr. Knowles (Winnipeg North Centre): I did not rise, it is true, but I suppose what I said was a point of order. I would have no objection to what was suggested by the hon. member for Vaudreuil (Mr. Herbert), but since he is the mover of the motion for second reading he would have to get one of his hon. friends to move the motion to which he referred. On the other hand, if he would just allow the bill to be debated, it might be passed.

Mr. Baldwin: No!

Mr. Francis: I am prepared to so move.

Mr. Munro (Esquimalt-Saanich): I am a little confused about what is going on. I understand it is now the subject matter of the bill which is to be referred to the committee. What we are being asked to do is, essentially, to change the name by which this holiday has so far been known, Dominion Day, to another name which has been gathering a certain amount of recognition through customary use, though it still flies in the face of tradition that we should sanction such a change. The tradition upon which the name of our national day rests is to be found in line three of the preamble to the British North America Act.

Mr. Lefebvre: On a point of order, Madam Speaker, I do not wish to interrupt the hon. member but I think the amendment to which reference has been made ought to be proposed and accepted in the House before we discuss the subject along the lines the hon. member wishes to pursue. I understand the hon. member for Ottawa West (Mr. Francis) is ready to do this. We cannot have an orderly discussion before the motion is put.

The Acting Speaker (Mrs. Morin): I would remind hon. members that we now have before us the second reading of Bill C-231. The hon. member for Esquimalt-Saanich (Mr. Munro) is speaking to that motion.

Mr. Lefebvre: Yes, Madam Speaker, he is speaking on the bill, but did you recognize the hon. member for Ottawa West (Mr. Francis) who wished to move a further motion?

Mr. Knowles (Winnipeg North Centre): Do you have it in writing?

The Acting Speaker (Mrs. Morin): When the hon. member for Esquimalt-Saanich has finished, the hon. member for Ottawa West can put his motion.

Mr. Munro (Esquimalt-Saanich): I am quite prepared to defer to the rules and allow the hon. member for Ottawa West to move his motion and speak to it later, if that is the recognized procedure. I am in the hands of the Chair.

Mr. Lefebvre: That's right.

Mr. Knowles (Winnipeg North Centre): It doesn't matter.

The Acting Speaker (Mrs. Morin): The recognized procedure is to allow the hon. member who has the floor to take part in the discussion of this motion.

Mr. Donald W. Munro (Esquimalt-Saanich): I presume I may now address myself to the matters raised by Bill C-231. If I am out of order I will again defer, but since there seems to be general agreement that I can continue along these lines, I shall do so. I should like to cite the basis of tradition upon which the name of our national day rests and remind hon. members, if they need any reminder, that the day on which we celebrate our national day is July 1—I have celebrated this day in many countries of the world, I have always done so proudly, and I shall go on doing so.

In the opening phrases of the preamble of the act which brought our country into being, we find the following words:

Whereas the provinces of Canada, Nova Scotia and New Brunswick have expressed their desire to be federally united into one dominion—

So we find the words "Canada" and "Dominion" in the first three lines of that preamble. The suggestion in the bill before us today is that we eliminate one of those words and replace it by another. Madam Speaker, we are forgetting our history.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): The Canadas, according to our history, were Upper and Lower Canada. We have now come to accept the Dominion of Canada as incorporating the Canadas, and, at that time in 1867, the colonies which had enjoyed responsible government for many years, indeed, the first responsible government on this continent—Nova Scotia and New Brunswick. Those four jurisdictions came together in the Dominion of Canada. The BNA Act was, of course, proclaimed on July 1, 1867, having been submitted on March 19 of the same year. It is on July 1 that we celebrate this gathering together, this federal unity in one dominion under the Crown of Great Britain, etc. We have used this particular form, and all the symbolism related thereto, throughout our history. I do not believe we should cast this tradition aside in favour of a formula which reminds me a little of "Air Canada" and similar expressions, but not quite.

The hon. member's suggestion is "Canada Day". I submit that "Dominion Day", the title under which we presently celebrate our national festival to commemorate the coming together of those four original sections of our country, to which was subsequently added the other six and, later, the Northwest Territories, is still perfectly satisfactory.

● (1610)

The proposer of the bill claims that the word dominion engendered divisiveness. I submit that divisiveness in this particular instance is in the eye of the beholder. I do not see it. The word dominion is a respectable word, one that stands on its own feet. It has a very impressive heritage. I could probably quote from any dictionary, but the one I have chosen is the Shorter Oxford English Dictionary which I obtained from the Library. I would just remind the House that this particular word reaches us in its present form via the old French "dominion," from the medieval Latin "dominium", meaning "property", and also from "dominus" meaning "lord, master".

I think all of these are reputable concepts, bearing in mind that they are interpreted in a democratic way. When we speak of dominion we are not talking about the feudal times through which this particular word was developed, but are referring to its modern sense in which it is a respectable word that need cause no divisiveness and which should give us nothing but pride in retaining.

The first definition of dominion given by the Shorter Oxford English Dictionary is "The power or right of governing and controlling". I think that is a worthy concept, one of governance, the state of being governed. We have to be in our particular society. We would not be the dominion of Canada if we did not have the discipline within ourselves to be governed and to accept being governed. The second definition is "sovereign authority". There is nothing the matter with that. That, too, is a worthy concept and should be preserved within the symbolism of our festivals and our parliaments. The definition also includes "sovereignty, rule, control". I submit to the proposer of this bill that these are words that need cause no divisiveness; indeed, they should be given the respect necessary to live in a modern society, one organized in such a way as to accord respect to other people. For this reason the notion being put forward in this particular bill does not gain my support.

There is one other aspect regarding the change of this word that I should draw to the attention of the House. There was brief mention in the preamble to the act which brought our country into being, and of which we have just cause to be proud, that there was a union of the Canadas. In other words there were two Canadas, an Upper Canada and a Lower Canada, before Canada as we know it today came into being. We must remember that this is part of our history. By transposing words from, if you like, our colonial past into the modern sense, let us not provide symbols around which people can become divided and say, "Well, this applies only to the other part of Canada, one of the Canadas, not to this part of Canada". The one word that covers all of Canada, the umbrella under which we all live, is dominion. That is the word, the symbol, to which we submit voluntarily and gratefully, and it is the concept to which I adhere.

So, Madam Speaker, in view of the reputable family from which the word dominion comes and which I will not see denigrated in the manner I have just heard, and because there were two Canadas before there was a

Canada, I suggest we stay with the word dominion and refuse to recognize the change put forward in Bill C-231. With those few remarks about the manner in which we describe our national festivals and holidays, Madam Speaker, I will take my seat.

Mr. Lloyd Francis (Ottawa-West): Madam Speaker, I move, seconded by the hon. member for Laprairie (Mr. Watson):

That Bill C-231 be not now read a second time but that the subject matter thereof be referred to the Standing Committee on Justice and Legal Affairs.

Mr. Allan B. McKinnon (Victoria): Madam Speaker, I rise to speak for a few brief moments on this bill which now seems to be subject to amendment in the House. I should like to make a few brief remarks in regard to Dominion Day, and I now understand it is up to us to decide whether or not the subject matter of the bill will be sent to a committee.

While dealing with the subject matter, my lack of knowledge of the other official language has made me rather curious. In the French translation of the bill the last line reads "under the name of 'Canada Day' ", whereas in the French it is "fête du Canada". I had always been under the impression that "fête" meant holiday, and that "jour" is the literal translation of "day". However, this is a small point which may get ironed out in committee if the bill does in fact get to committee.

I am pleased it has been decided to refer only the subject matter to the committee, on the clear understanding that there is another bill somewhere in the works which is going to have something to say about Dominion Day. I understand the Secretary of State (Mr. Faulkner) is planning to introduce such a bill later in the session. It is not unusual in our history to have bills concerning the first day of July. A rather interesting comment was made about it some time ago, on April 17, 1879, a date to which I will refer a little later in my remarks. If we examine *Hansard* for that date, the question at that time was a bill to bring about Dominion Day, and Mr. Holton said:

● (1620)

—as the hon. gentleman had appealed to him, he would say that Bills from the Senate were treated precisely like Bills originating in this House.

There was some question about dealing with those which originated in the Senate. This goes on to state:

They went through the same stages, and were also subject to rejection very frequently. There could be no objection, therefore, in point of form. He thought there was a great deal of force in the suggestion of the hon. the Minister of Justice, that this proposal rested on an entirely different footing from the proposal of the hon. member for King's (Mr. Domville).

Mr. Mills then replied:

—he did not exactly see what was intended to be accomplished by this Bill.

Later it is reported:

He did not think this House had the right to say to a man in the employment of another man that he was discharged from any obligation to work on a particular day. Dominion Day was, he believed, universally kept as a holiday, at least, it was in Western Canada, but it was not kept under the authority of any Act of Parliament.

[Mr. Munro (Esquimalt-Saanich).]

I just quoted that passage from *Hansard* to show that the tradition of Dominion Day in western Canada goes back considerably further than it does in eastern Canada, and it was always observed in western Canada under the name of Dominion Day. It is part of the heritage of western Canadians that the 1st day of July shall be considered as the day the Canadian provinces joined to become a country.

As we were speaking of holidays I thought I should dig out a list of all public statutory holidays in Canada which is:

DOMINION OF CANADA—in accordance with the provisions of the Interpretation Act, the Bills of Exchange Act, the Public Service Terms and Conditions of Employment Regulations, the Victoria Day Act as amended, the Dominion Day Act, and the Remembrance Day Act, the holidays to be observed throughout Canada are as follows:

BILLS OF EXCHANGE ACT

"(a) is the provinces of Canada. Sundays, New Year's Day, Good Friday, Easter Monday, Victoria Day, Dominion Day, Labour Day, Remembrance Day, Christmas Day.

I understand it was only the result of a misadventure in this House that we do not have a holiday called Heritage Day. While I am on my feet I might point out an injustice that is occurring in this country because of the failure of this parliament to pass a bill to establish Heritage Day.

A number of people working in Canada were sent back to work by parliament. Parliament forbade them to remain on strike and ordered them back to work, I believe about two years ago. These were the non-operating union railway workers. They were ordered back by Mr. Justice Emmett Hall, and part of the arbitration award by Mr. Hall was that these people would get the Heritage Day holiday. As parliament failed to establish Heritage Day, that part of the settlement is not being observed, and in fact these people are being cheated out of a rightful holiday which was agreed to in the settlement which put them back to work.

I suggest that instead of bringing in froth like this, now would be an appropriate time to do something for these people in order to fulfil the contract on the basis of which they went back to work. We would be doing something then instead of considering the subject matter of spurious bills like this. I strongly recommend that the government get in touch with the railway companies through the Minister of Transport (Mr. Marchand), suggesting that the honourable thing would be to give these workers one extra day holiday this year and one more to make up for the one they lost last year.

According to the act of 1879, July 1 is the day it was decided we should celebrate Dominion Day. Whether this is right or not, this is the day on which we did become a dominion. If we want to have a Canada Day, an utter independence day, or a day of transition from our former status, proud though it may have been, we should take some other day than the 1st of July. July 1 is the day that Canada became a dominion with various provinces.

If we want a Canada Day there are other days that can be chosen. Perhaps when we move on to days of even more freedom we can adopt the date of the Treaty of Westminster, which made the basic change in the Commonwealth. Perhaps we should adopt the day that the Righ Hon. Sir Robert Borden prevailed upon our allies in World War I to

give Canada a separate seat at the peace negotiations. That marked a real step forward for Canada toward full fledged nationhood. Canada Day might well be chosen as the day of Vimy Ridge, April 17, which strangely enough is the same date from which I quoted from *Hansard* when they were discussing Canada Day, which was some 40 years before.

There are many other days we could usefully celebrate on which Canada has taken a step forward in its progress toward full nationhood. The 1st of July was intended to be celebrated for one reason, and that was the day on which Canada effectively became a dominion. I understand that this parliament sat on that day for the first time, and there were great celebrations in Ottawa.

Mr. Knowles (Winnipeg North Centre): They didn't sit until November.

An hon. Member: Don't tell us you were there, Stanley.

Mr. McKinnon: I do not see any reason for having a great deal of discussion on the subject matter of this bill. The bill is short and requires little discussion, perhaps just enough to straighten out its terminology. It might be well to obtain the feeling of the people throughout the country. It may well be their wish to change this old established holiday. I am not, nor are the people of my riding, among those who seem to think all change is progress. Surely there are some things we do not wish changed.

There are some things worth preserving. I should like to see a stop put to this constant ferreting out of anything traditional in order that it can be changed to something new and modern, with the result that none of us will eventually know where we came from even the day before yesterday.

I see that there are others who wish to speak on this matter. Let me conclude by saying that if the subject matter of this bill is referred to the committee, I hope it will have full and wide discussion and that the feelings of the people will be considered in the most meaningful fashion possible. This matter is of considerable importance to many constituents in western Canada who have lived with Dominion Day on the record for 96 years. For 96 years they have celebrated the 1st of July as Dominion Day, and they may well wish to continue doing so.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, we certainly have no objection to the passing of this motion that will send the subject matter of this bill to the appropriate standing committee. That will be at least some progress in that the matter would receive further discussion. As a matter of fact, if the amendment had not been moved and we were dealing with second reading of the bill we would have been prepared to vote for the motion sending the bill itself to the committee.

A moment ago when I interjected by suggesting that the first parliament of Canada did not meet on July 1, 1867, but not until November of that year, the hon. member for Esquimalt-Saanich (Mr. Munro) wanted to know if I was here then. I was not, but I was here in the mid 1940's when we passed the bill changing the name "Dominion Day" to "Canada Day". As I recall, the sponsor of the bill was an hon. member for Matapedia, a Mr. Côté, I believe. The bill passed through all stages in this House, and people began to think we were going to start calling July 1 Canada Day. What happened? You guessed it; there were some in the other place who did not like to make that kind of change. So the bill did not become law.

● (1630)

As I say, I hope the motion to refer the subject matter of the bill to the committee will pass so that there can be further discussion of it. I hope at some point at least that much consideration will be given to two or three other bills on the order paper having to do with holidays. I have one in my name which asks for a ninth and tenth general holiday under the Canada Labour Code, one in February and one in August. I refer to Bill C-249. I also hope that some day the subject matter of that bill might go to the appropriate committee. I think the bill in the name of the hon. member for Hillsborough (Mr. Macquarrie) calling for a Sir John A. Macdonald Day might receive similar treatment, and that its subject matter might go to a committee. I hope, and I am encouraged in that hope by what has just been said by the hon. member for Victoria (Mr. McKinnon) in respect of the proposal for a Heritage Day, that we might get a holiday in February. The hon. member for Victoria spoke strongly in favour of this, and expressed regret that there was a slip of some sort which prevented us from getting it through a few weeks ago.

I have to remind the hon. member that it was his colleague, the hon. member for Palliser (Mr. Schumacher), who denied the consent which would have made it possible for the subject matter of that bill to have gone to the committee some time ago. So, because the hon. member for Palliser is not here today perhaps we could deal with that one also when we have Conservative support.

I was a little taken aback by the fine line of reasoning used by my friend from Esquimalt-Saanich (Mr. Munro) who quoted from the British North America Act and suggested that Canada means just Upper and Lower Canada, Ontario and Quebec. The hon. member said that the name Canada applied to those two parts of this country.

Mr. Munro (Esquimalt-Saanich): It did then.

Mr. Knowles (Winnipeg North Centre): Yes, they were Canada. The point I want to make is that as a person from Manitoba I think I live in Canada, and I think my friend from British Columbia lives in Canada. If he will read the British North America Act a little further he will find it says that, unless it is otherwise expressed or implied, the name Canada shall be taken to mean Canada as constituted under this act, this act at that time providing for four provinces.

Mr. Munro (Esquimalt-Saanich): I rise on a point of order, Madam Speaker. I think in all fairness in respect of the record it should be made clear that I was talking about the Canadas as they were in the beginning. If we might paraphrase or use broad parlance, as it was in the beginning there were Canadas, and as I said, clearly this concept of Canada and the Dominion of Canada put an umbrella over the Canadas, the two provinces which then

existed. I think my words were quite clear at that time, but I want to make them doubly clear.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I do not object to that interjection. It does not seem to me that the hon. member changed the situation at all. He said there were two Canadas and that the phrase "Dominion of Canada" became an umbrella over those two Canadas, and the other two provinces. The name "Canada" was enacted as applying not just to the two Canadas that were there in the beginning but to the entire country constituted by this act. I submit that the name "Canada" applies across the country. If the hon. member were asking for July 1 to be known as Dominion of Canada day that might fit his argument, but to say that we cannot call it Canada Day and must call it Dominion Day because it was on that day we became a dominion I think is like, to quote his phrase, having it as it was in the beginning.

Now we are a country from Newfoundland to Vancouver Island and I do not think it is a venial or mortal sin to call July 1 Canada Day. As I say, a bill to this effect passed through the House I think in the parliament between 1945 and 1949, Canada's 20th parliament, but was turned down in the other place, and of course that puts me more on the side of it than I was even before. I hope the motion to refer this subject matter to the committee will be agreed to and that we will soon do something about Heritage Day and the other holidays that have been proposed.

Mr. McKinnon: I rise on a point of order, Mr. Speaker. The hon. member who has just spoken made some comment to the effect that I should realize that the Conservative Party prevented his bill passing. The hon. gentleman sits a long way from me in the House, but my recollection on that day was that the hon. member for Winnipeg North Centre (Mr. Knowles) had intended to put forward a private member's bill which was receiving fair consideration around the House, but instead the Liberals presented a bill. At that time I thought the NDP said no to the Liberal's bill and that the Liberals said no to the NDP bill. I could be mistaken because I sit at one end of the House and the hon. member for Winnipeg North Centre sits at the other end.

Mr. Knowles (Winnipeg North Centre): On the point of order—

The Acting Speaker (Mrs. Morin): The hon. member is aware that this is not a point of order but rather a point of debate.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, the hon. member referred to something at a time when motions under Standing Order 43 were moved. It was not my bill but Bill C-208 of the hon. member for Windsor-Walkerville (Mr. MacGuigan) which was before the House. When unanimous consent was asked for that bill to be referred to the committee, not only did the hon. member for Palliser say no but he also stood up and spoke against it and thus blocked it that day.

Mr. McKinnon: Madam Speaker, I simply want to say that the hon. member for Winnipeg North Centre is absolutely right. I was speaking of the day when the two conflicting bills came in under Standing Order 43.

[Mr. Munro (Esquimalt-Saanich).]

Mr. Howard Johnston (Okanagan-Kootenay): Madam Speaker, I rise this afternoon to speak about this particular motion as one who has a regard for words that have a ring to them, and words which seem to be leaving our vocabulary at an amazing rate and dropping out of our conversations and out of our life in a way which I think will leave us impoverished rather than enriched.

There are several of these words which have to do with the country and the way the people in this country see themselves and the country. One of them is dominion; one of them is realm; one of them is kingdom. All these expressions can be applied to this country of ours, and all of them have a fine ring to them which has been hallowed by tradition and which has a reference to the form of constitutional government we have. I contend that we add nothing whatsoever to our national life, to our patriotism or to our civic pride by eliminating or removing these words as references or in fact as titles of the land in which we live.

I do not think it is necessary to go back to the history of the reason why the word Dominion has been in the name of this country, but the source was of the highest if we can believe the story that has been told about the Father of Confederation who was struck by the line of scripture which refers to dominion from sea to sea. It was in that spirit that the word Canada was attached to the country. There was something higher, greater and above the mere earthly involvement.

● (1640)

It may be old fashioned, but I still think there is something to be said for the somewhat mystic approach to one's country, and if we ignore that, we lose. I know it is too late now even to talk about these things, but it seems to me that there was an advantage to being a British subject that is not found in being a citizen. Perhaps that is an argument for another debate and it is one that I will not develop now, but in the concept of being a subject there was a promise of regard, protection and provision, for that was the basis of a very ancient system of government that provided certain guarantees to every subject in the land.

The whole problem with the idea of being a citizen is that we find that citizens disagree, and the people who run the show tend to be the ones who are in power at the moment, whereas the older idea of a monarchy—because this country is still a monarchy—suggested that there were rights for all individuals and that it did not really matter who was in power at the time because there was a relationship between subject and monarch that could not be broken.

Now we find that in this country there is an increasing tendency to cease using all such fine sounding words as dominion, realm and kingdom, and I suggest that if we let them go, in a very short time we will be confronted with actions that will move us to the next stage along the way to a form of government that is not Canadian, that is foreign to Canada.

Our history has always been the history of a monarchy, whether it was through the French regime or through the continuation of the British regime.

Mr. Prud'homme: The Canadian regime.

Mr. Baldwin: Now it is imperial.

Mr. Johnston: The hon. member across the way cannot ignore the history and the evolution of government in this country that has taken place from 1608 onwards. I suspect in a way that it has been considerably more rapid in the years of the British regime. Of course we moved along to that remarkable invention of responsible government which we borrowed from the Mother of Parliaments. We owe an enormous debt and great freedom to the parliamentary tradition which we have borrowed. We tamper with it at our risk.

I suggest also that there is something about the term "Dominion Day" that enriches this country, this domain—another word which is related very closely. Domain is a word that has dropped out of our current speech, as almost all these other words have.

Mr. Munro (Esquimalt-Saanich): It is still used in French.

Mr. Johnston: We are left with nothing at all to refer to the type and kind of country we have. We have the name of the country, but I think we still need an indication of the kind of country we have.

I am proud of the traditions that have come to us. I think that our form of government is the best guarantee of democracy to be found anywhere in the world. I made that statement some years ago to a well known sociologist at the University of British Columbia, Lionel Tiger, who has written many books. I wrote to him in response to a talk that he had given on CBC, and he wrote back to me. He was critical about what I had to say about the monarchy at that time. I was reading his book called "The Imperial Animal" which he wrote in conjunction with Robin Fox, and as I looked through the book I discovered the statement that the best guarantee of democracy to be found in this world was in the constitutional monarchy. I realized that through the years he had come to my way of thinking.

There was a footnote to the statement, and I hurried to see if in the footnote he had given me credit for the original thought. Unfortunately, he had not, he credited some learned academic from the United States for the comment. But I still feel that I had planted the original thought in his mind.

I hope that in these few remarks this afternoon I have planted some thoughts that may be considered through the years. I urge the mover of this motion, and anyone else who thinks in terms of dropping the descriptive designation of this land of ours, to think again and realize that in that action there is a loss and nothing is presented to replace it.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, I surely did not intend to take part in the debate this afternoon, but the comments of hon. members opposite prompt me to make a few short remarks. I would like to reassure them. I see that my colleague agrees when I say that I will speak briefly, but it could be dangerous.

Madam Speaker, I have never understood certain things stated by previous speakers. I have been sitting in the House now for over 11 years. I was a student at the Ottawa University for six years from 1953 to 1959. I used to come here, but I never did understand why each time a French-speaking or an English-speaking member—

[*English*]

—independently of your country of origin. I say again that I could never understand exactly why people refuse to look forward to what unites us all here in the House, that is, the creation of true Canadianism through respect for the past. I share the views of my colleague who spoke before me when he spoke of respect for the past, but I would like to add that respect for the past must not stop us from creating what we have been elected to do, that is to create true Canadianism.

I have great respect for the French regime of Canada which was replaced by the British regime. I like to live under the British parliamentary system, and I say so openly. That system gave us a lot in this country. But what is wrong in having true Canadianism? Every small step that can be taken in this House toward that goal should receive the unanimous consent of the House. When one is abroad and Dominion Day approaches, if one says that one must go back to Canada because it is Dominion Day, it does not mean as much as if one said—and that does not mean a lack of respect for the past—that one is going back because there are great celebrations taking place on Canada Day.

[*Translation*]

I would like to know, Madam Speaker, why changing the name Dominion Day to Canada Day would show disrespect for our old institutions.

● (1650)

[*English*]

We must remember one thing, Madam Speaker, that Canada is one of the very few countries that has known Canadianism through evolution and not through revolution. A country that was under the Indians and Eskimos became a French colony and then a British colony. We have known, slowly, a great deal of independence. We have stopped going to the Privy Council in Great Britain for civil torts and criminal matters.

I participated in the debate with my colleagues on the Canadian flag. I see some members on the other side who are still here who said then, "No Canadian flag because it is going to divide". They said "This Canadian flag will divide the country forever," yet today, only ten years after, people in all parts of Canada are proud to fly the Canadian flag.

This is a Canadian debate, we are having evolution and are proud to use the word "Canada" as much as possible—one flag and one country and two official languages. All of us together will celebrate next July 1, our great day. I do not see why we should have that long a debate. Regardless of the country of your origin, you should be proud to use the word Canada as often as possible. I use it anywhere in the province of Quebec and I like to use it everywhere—in western Canada—with the same intonation.

[*Translation*]

—the Canadian experience, Constitution, flag, and Parliament, and I think it is fair and normal that we should have a holiday called "Canada day".

[*English*]

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Amendment (Mr. Francis) agreed to, and subject matter of bill referred to Standing Committee on Justice and Legal Affairs.

[*Translation*]

Consequently, the subject matter of the bill is referred to the Standing Committee on Justice and Legal Affairs.

[*English*]

The Acting Speaker (Mrs. Morin): Order, please. Is it agreed we call it five o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): The hour provided for consideration of private members' bills has now expired. It being five o'clock, the House stands adjourned until Monday next at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 17, 1975

The House met at 2 p.m.

PRIVILEGE

MR. WHELAN—ALLEGED INADEQUATE REPORTING BY PRESS OF SPEECH MADE IN HOUSE

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I rise on a question of privilege. In the debate on Friday, March 14, I was the final speaker. I spoke concerning criticism, and so on, which was levelled at the Minister of Agriculture. I rise on this question of privilege not because of lack of reporting but lack of printing what I actually said. It makes me wonder how far we can go. This question of privilege affects many members of the House of Commons because of the impression that is left. For example, in the March 15 edition of the Ottawa *Journal*, all that I could find reported about me was a brief article headlined, "Whelan defends speaking tours". I quote from the article:

"Too many damn politicians hole up in this place and forget there's an outside world," he said, adding that he spends much of his time away from Ottawa talking to service and consumer groups.

Part of that is accurate. However, what I actually said should be put on the record to show what I meant. I said, as recorded at page 5025 of *Hansard:*

It must be admitted that the press in the big cities does not do the job it should in telling the people of Canada what the score is, so I believe in taking the government to the people. I myself do it on Wednesday nights when this institution is not sitting, and I also do it on Friday evenings and on the weekends, so let no one say to me that I am jeopardizing my job here. I work seven days a week, and that is my business if I want to make that sacrifice on behalf of the people of Canada.

It has also been reported in several other newspapers, as intimated in telephone calls I received over the weekend, that I said members of the opposition were damn liars. One headline reads, "Criticism just 'damn lies' ". I spoke when Your Honour's assistant was in the chair. I talked about consultation, and so on, with members of other departments concerned, and about consumer and producer concerns. I said, and I quote:

I see nothing wrong with departments that are concerned about trade and all these other things working together and coming to a mutual understanding on what we are trying to do about food production in this country. I have been accused of being just a representative of the farmers. That is a damn lie, and I will say so at mass on Sunday if anybody wants me to do that. It is a damn lie, because if I can make a strong agricultural industry, all society benefits, not just agriculture.

If what I said had been reported accurately, there would be a better understanding, which would be better for all of us. What I said may have been reported, but if it was, it was not recorded in the press.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, on behalf of the opposition, may I extend the deepest sympathy of the opposition to the Minister of Agriculture (Mr. Whelan) on his difficulties with the press.

Some hon. Members: Hear, hear!

• (1410)

Mr. Speaker: I might only add that the Chair has at least equal difficulty in finding a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

MANPOWER

FAILURE TO PROVIDE INFORMATION ON FRAUD CONNECTED WITH TWO LOCAL INITIATIVES PROJECTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43—

Some hon. Members: No!

Mr. Cossitt: —to seek the leave of the House to move a motion arising out of answers given to two questions on the order paper last week. It concerns a matter of urgent and pressing necessity. I would move, seconded by the hon. member for Winnipeg South Centre:

That in regard to the answers to order paper questions 1,041 and 1,042 revealing approximately a quarter of a million dollar fraud involved in two local initiative program projects applied for by Mr. Guy Poulin in the constituency of Montreal-Bourassa, and in regard to the refusal of the Minister of Manpower and Immigration in his answers to reveal the names and addresses of all persons recommending these fraudulent projects to the government, the House requests the Minister of Manpower and Immigration to make public forthwith all files pertaining to these projects and to adopt a policy in future of making public the names of all persons involved in local initiative program projects where charges of fraud have been laid and proven. And, further, the House believes that parliament possesses the right to know and to receive information that cannot be deprived by arbitrary and unauthorized actions of a minister.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the motion. Being proposed under Standing Order 43 it cannot be debated unless there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Order Paper Questions

[*Translation*]

AGRICULTURE

SUGGESTED INCREASE IN PRICE OF INDUSTRIAL MILK—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, I ask the unanimous consent of the House under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity.

Considering the precarious situation of Quebec industrial milk producers and the absolute necessity of that industry, and in view of the decreasing number of producers and the present difficulty to have adequate relief, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the House unanimously recommend to the Minister of Agriculture to seriously consider the request of Quebec milk producers to get a minimum price of $11.60 per hundredweight of industrial milk.

Mr. Speaker: The House has heard the hon. member's motion. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 12, 229, 969, 1,023, 1,183, 1,184, 1,211, 1,234, 1,274, 1,277, 1,278, 1,301, 1,319, 1,325, 1,344, 1,363, 1,449, 1,473, 1,527, 1,576, 1,585, 1,605, 1,670, 1,671, 1,681, 1,689, 1,690, 1,691, 1,699, 1,700, 1,712, 1,734, 1,735, 1,747, 1,759, 1,763, 1,774 and 1,824.

If questions No. 560, 707, 713, 1,124, 1,177, 1,220, 1,251, 1,282, 1,537, 1,579 and 1,673 could be made orders for return, these returns would be tabled immediately.

Would you be so kind as to call starred questions No. 1,445, 1,553 and 1,665?

I ask that the remaining questions be allowed to stand.

[*Text*]

ADVERSE EFFECTS OF MARIJUANA

Question No. 12—**Mr. Reynolds:**

1. Is the government aware of the increasing availability of new information on the adverse effects of marijuana smoking and, if so, for what reason is the Department of National Health and Welfare not making this known to the youth of this country?

2. Is the government aware of a recent study by Dr. Masters and his team (April 16, 1974—*New England Journal of Medicine*) and, if so, is the Minister prepared to publicize the results of that finding which indicated a forty per cent reduction in the body's protection against disease in a once-a-week user of marijuana over a year, as well as reports of serious chromosome breakage in sixty per cent of those using marijuana once a week?

3. Does the government intend to publicize the results of the January 1974 issue of the *American Journal of Obstetrics and Gynaecology* dealing with chromosome breakage in marijuana users?

4. Is the government planning any kind of a national advertising campaign, particularly in light of new findings to make known the harmful effects of marijuana smoking?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The government is fully aware of all new information regarding cannabis from Canada, the United States and other countries. In general, these findings have confirmed earlier evidence that cannabis has a number of complex effects on the human body after smoking or ingestion. These effects are both physical and psychological in nature. A large amount of conformatory and analytic research is presently underway in both Canada and abroad relating to the significance of these effects in terms of their potential hazards for public health and society as a whole. It should be noted that there is a wide discrepancy at this time between the conclusions of various researchers partly because of the difficulty that has been experienced in carrying out animal research with cannabis, and partly because of the greatly varying strengths available in one country as compared to another.

2. There have been reports of an effect of cannabis on the reproductive cells of some animal species but not present evidence of any lasting effect in humans. There is no evidence that the children born to parents who utilize cannabis have an increased incidence of congenital deformities and no child born of a cannabis-using mother has demonstrated cannabis addiction after birth. The recent communication of Drs. Kolodny and Masters reported that sex hormone levels in cannabis users was approximately 40 per cent less than levels found in control persons who do not use cannabis in any form. It should be added that cessation from marijuana use for a period of two weeks resulted in a return to complete normalcy. A recent verbal report soon to be published has failed to confirm the findings of Kolodny and Masters. The disparity may be explained by the fact that most cannabis users also employ other drugs some of which by themselves depress sex hormone levels. The work which has been carried out regarding the effect of cannabis on immunity is based on laboratory evidence only and refers to the ability of certain white blood cells called lymphocytes to react to a chemical form of stimulation. The precentage changes in function cannot be readily extrapolated to the clinical situation where cannabis is metabolized into many derivatives during the time that it is circulating in the body and coming into contact with specific organs and cells.

3. The study of Dr. Morton Stenchever was published in the January issue of the "American Journal of Obstetrics and Gynecology". It is available for any media to publicize further.

4. The government will continue to make information available that will keep the Canadian population aware of the effects of various psychotropic substances including cannabis (marijuana).

DREE—PROGRAMMES UNDER WAY

Question No. 229—**Mr. Howie:**

1. What programmes are now under way as a result of the general agreement on Regional Economic Expansion signed by Canada and New Brunswick?

2. Other than the agreement to assist fruit farmers, what sub-agreements are under negotiation and at what stage of negotiation are these agreements?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): At present, the following subsidiary agreements have been signed and are being implemented in New Brunswick under the authority of the General Development Agreement between the Department of Regional Economic Expansion and the province of New Brunswick. 1. Canada-New Brunswick Highways Agreement; Canada-New Brunswick Agricultural Development Agreement; Canada-New Brunswick King's Landing Historical Settlement Agreement; Canada-New Brunswick Kent Region Pilot Project Agreement; Canada-New Brunswick Miramichi Channel Study Agreement; Canada-New Brunswick Saint John and Moncton Arterial Highways Agreement; Canada-New Brunswick Industrial Development Agreement; Canada-New Brunswick Forestry Agreement.

2. A number of other subsidiary agreements are at various stages of negotiation. They include such areas as minerals, tourism, fisheries, and planning and implementation.

NATIONAL DEFENCE—BASE CONSOLIDATION PROGRAMME

Question No. 969—**Mr. Forrestall:**

With respect to the reductions in the Canadian Armed Forces next year, have any discussions taken place between the government and the provincial or municipal authorities involved respecting closings under the Base Consolidation Programme and (a) if so, with whom (b) if not, will the government undertake to carry on consultation with the responsible authorities prior to any decision to either close a facility or effect substantial cut-backs?

Hon. James Richardson (Minister of National Defence): (a) Consultation between the department and the provincial and municipal authorities of the province of Quebec and Ontario were held with respect to the status changes at Canadian Forces station Val d'Or and Moosonee publicly announced on the Jan. 16, 1975. (b) Consultations with federal, provincial and municipal authorities are held in accordance with well established procedures whenever any major reductions are contemplated.

MANUFACTURING PROCESSES OF COINS OR BANKNOTES

Question No. 1,023—**Mr. Caouette (Témiscamingue):**

1. Since 1960, have the Royal Canadian Mint and the Bank of Canada received suggestions with respect to new manufacturing processes of coins or banknotes and, if so (a) how many (b) on what dates?

2. How many of the suggestions were (a) considered (b) accepted?

Hon. Mitchell Sharp (President of the Privy Council): 1. The copper penny and the five cent nickel have not been changed. Two changes have been made in the remaining coins. In 1967, the silver content was reduced from 80 percent to 50 percent, and in 1968, the silver content was eliminated. In both these changes, silver was replaced by nickel. It should be noted that changes in metallic content apply only to coins used for transactions purposes; i.e., the silver content of the commemorative dollars remain unchanged.

2. Not applicable.

LIP—PROJECT ALDERGROVE

Question No. 1,183—**Mr. Cossitt:**

1. What was the name of the constituency in which Local Initiatives Programme Project No. 311335, known as Project Aldergrove, was located?

2. (a) Were government auditors refused admittance to the premises of this project to examine records (b) were such auditors admitted after certain negotiations took place (c) did these negotiations in any way include correspondence, telephone calls or any other means of contact or communication between a man named Mr. Michael Carson and the then Minister of Manpower and Immigration, the Honourable Bryce Mackasey and, if so, what were all details involved?

3. (a) What was the exact connection with this project on the part of Mr. Carson (b) what were all the places in the files on this project that his name appeared and in what specific connections in each case?

4. Is, or was, the Department or the present or previous Minister of Manpower and Immigration aware as to whether this Mr. Michael Carson is the same M. Carson whose name appears on page 12 of the Norris Report of July 1963 in regard to the SIU-CSU situation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Greenwood.

2. (a) Yes. (b) Yes. (c) Yes. On May 18, 1972, the Hon. Bryce Mackasey explained to Mr. M. Carson by registered mail the nature of project audits. Being in accordance with the project contract, refusal would constitute a breach of contract and as such provide grounds for termination of project.

3. (a) Mr. M. Carson was the sponsor of Project Aldergrove. (b) As sponsor, Mr. Carson's name appears on various documents as endorser of the project.

4. As of December 18th, 1974, neither the present minister nor the Department of Manpower and Immigration was aware that Mr. Michael Carson, head of the Ontario Anti-Poverty Group, was the same Mr. Carson whose name appeared on page 12 of the Norris report of July 1963, in regard to the report of an Industrial Inquiry Commission on the Disruption of Shipping on the Great Lakes, the St. Lawrence River System and Connecting Waters, in his capacity as Toronto representative of the Canadian Brotherhood of Railway Transport and General Workers.

LIP—PROJECT RESEARCH ANTI-POVERTY

Question No. 1,184—**Mr. Cossitt:**

1. What was the name of the constituency in which Local Initiatives Programme Research No. 311981, known as Project Anti-Poverty, was located?

2. (a) Were government auditors refused admittance to the premises of this project to examine records (b) were such auditors admitted after certain negotiations took place (c) did these negotiations in any way include correspondence, telephone calls or any other means of contact or communication between a man named Mr. Michael Carson and the then Minister of Manpower and Immigration, the Honourable Bryce Mackasey and, if so, what were all details involved?

Order Paper Questions

3. (a) What was the exact connection with this project on the part of Mr. Carson (b) what were all the places in the files on this project that his name appeared and in what specific connections in each case?

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Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Greenwood.

2. (a) Yes. (b) Yes. (c) Yes. On May 18, 1972, the hon. Bryce Mackasey explained to Mr. Carson by registered mail the nature of project audits. Being in accordance with the project contract, refusal would constitute a breach of contract and as such provide grounds for termination of project.

3. (a) Mr. M. Carson was to sponsor of the project "Research Anti-Poverty". (b) As sponsor, Mr. Carson's name appears on various documents as endorser of the project.

4. As of December 18th, 1974, neither the present Minister nor the Department of Manpower and Immigration was aware that Mr. Michael Carson, head of the Ontario Anti-Poverty Group, was the same Mr. Carson whose name appeared on page 12 of the Norris report of July 1963, in regard to the report of an Industrial Inquiry Commission on the Disruption of Shipping on the Great Lakes, the St. Lawrence River System and Connecting Waters, in his capacity as Toronto representative of the Canadian Brotherhood of Railway Transport and General Workers.

PUBLICATION OF 1975 LIFESTYLE CALENDAR

Question No. 1,211—**Mr. Huntington:**

1. For what reason did the government enclose advertising with family allowance cheques to, in the opinion of the government, help Canadians shape up their lifestyle in 1975?

2. For what reason did the government publish a Lifestyle Calendar full of facts and fun?

3. What was the cost of preparation and publication of the calendar in Canadian newspaper supplements?

4. What is the projected cost of (a) receipt of requests for such calendars (b) processing such requests (c) mailing such free copies?

5. What is the Information Directorate of the Department of National Health and Welfare and what is its function?

6. What is the estimated cost in payroll, fringe benefits and other support services to service (a) the Directorate (b) the Lifestyle Calendar (c) every other monthly informational service which accompanies the family allowance cheque?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. An insert was included with the December Family Allowance and Old Age Security cheques to inform 5.5 million cheque recipients of the distribution of the Health Lifestyle Calendar in the newspapers and to encourage a large section of the public to utilize the calendar throughout the year.

2. The Health Lifestyle Calendar is one part of various components of a Health Awareness Campaign, formulated and derived from the working paper "A New Perspective on the Health of Canadians", introduced in the House of Commons on May 1, 1974. The calendar is meant to point out that there are many "diseases of choice" over which individuals have control and it provides some useful health tips in order to affect motivational changes towards adopting a more positive health lifestyle.

3. $285,000.

4. (a), (b) and (c) $5,000. (based on anticipated demand of 25,000 individual copies).

5. The Information Directorate is responsible for the development and maintenance of standards of communication effectiveness and quality of expression for all public information emanating from the Department. These responsibilities are derived from legislative obligations and the need to explain departmental policies and programs and are consistent with the recognized right of Canadians to full objective and timely information on departmental activities.

6. (a) $1,588,000. (b) Approximately $7,000. (c) Approximately $500 per month on average.

[Mr. Cossitt.]

NUMBER OF EMPLOYEES AND BUDGET OF INDIAN AND ESKIMO PROGRAM

Question No. 1,234—**Mr. Caouette (Témiscamingue):**

1. For each of the past ten years what portion, as a sum and as a percentage, of the annual budget of the Indian and Eskimo Affairs Programme of the Department of Indian Affairs and Northern Development, was used for administration purposes?

2. (a) How many persons are permanently employed in the Programme and, of these, how many occupy executive positions (b) how many Indians are employed in the Programme (i) in total (ii) in executive positions?

3. For each of the past five years (a) what sums of money were accorded Indians on reserves without passing through the hands of the band councils (b) what were the designated purposes of these sums?

4. (a) What are the nature and amounts of grants currently available to Indian individuals and groups under the Indian and Eskimo Affairs Programme which do not pass through the hands of the band councils (b) what are the criteria for qualifying for such grants?

5. For each of the past five years, what sums of money did the National Indian Brotherhood receive from the government?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1.

Year	Sum	Percentage
1966–67	$9,679,000	8.7
1967–68	10,931,000	8.9
1968–69	11,236,000	7.8
1969–70	12,345,000	6.6
1970–71	15,363,000	6.9
1971–72	18,026,000	6.9
1972–73	19,961,000	7.2
1973–74	24,711,000	7.3
1974–75	25,388,000	6.5

2. As of December 30, 1974; (a) 5,171 permanent employees; 16 permanent employees occupied executive positions; (b) (i) 1,135 Indians occupied full-time continuing positions, 199 Indians were casual or term employees; (ii) 2 Indians in executive positions.

3. Payments made to Indians on reserves which do not pass through the hands of the band councils are for welfare services and relocation.

	Welfare Services	Relocation
1969–70	$16,095,000	$213,000
1970–71	19,826,000	181,000
1971–72	20,797,000	329,000
1972–73	22,437,000	276,000
1973–74	23,033,000	286,000

4. (a) $334,000 is set aside annually for cultural grants. (b) Priority is given to those cultural applications which strive to maintain and retain the traditional cultural patterns relating to a particular group for which no other financial support is now available. It is advisable that grants be approved for individuals or groups who wish to do work in the development and preservation of such areas as native art, writing, languages and music. Whenever possible priority is also given to those projects which involve new approaches and to people who have not been assisted in former years.

5. Payments to the National Indian Brotherhood for the past five years are:

1969–70	$151,000
1970–71	252,000
1971–72	—
1972–73	70,000
1973–74	122,000

MANAGEMENT OF SHONG WAY SHI PLANT, WHITEFISH BAY RESERVE

Question No. 1,274—**Mr. Reid:**

1. (a) Has the management at the Shong Way Shi plant at Whitefish Bay Reserve, in the Kenora District Office of the Department of Indian Affairs and Northern Development, been changed and, if so, on what date (b) what were the contractual terms, including salary range and any other terms under which the former management worked and how many individuals composed this management (c) for what reason was a decision made to change management, who requested the change and by what means was this request made known to the authority which made the change (d) who did make the change and what were the formal reasons for the change in management?

2. What was (a) the average weekly wage paid per person employed, exclusive of management (b) the average number of persons employed, exclusive of management (c) the total wage bill for the number of people employed, exclusive of management in the Shong Way Shi plant, calculated over one month periods for the past six months?

3. For the new management (a) what are the terms of its contract, including salary ranges and any other terms (b) how many people make up this management group (c) what is the citizenship of each of its members (d) where did they work immediately before accepting their current positions (e) what is their experience relative to the manufacturing carried on at Shong Way Shi (f) what conditions of productivity does this new management team have to meet, compared with the productivity targets set for the previous management?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. (a) The management is in the process of being changed. (b) The former management consisted of a manager and a trainer. Terms of employment are confidential as the contract was between the company and the persons concerned. (c) The manager and the company both recognized that the situation was unsatisfactory and proceeded to negotiate a contract termination settlement. The trainer was released by the company for unsatisfactory performance. (d) See (c) above.

2. The detailed information requested is confidential to the company. Employment was approximately 25 full-time employees at a wage not less than $2.50 per hour. Attendance was approximately 90 per cent.

3. (a) No contracts have been entered into with the new management, but contracts may be arranged if performance in the initial period of employment so (b) The management group will consist of a general manager and a production manager. (c) The former is a Canadian, the latter a U.S. citizen. (d) The general manager is a businessman from Sioux Narrows in Kenora District, the production manager previously worked in New York. (e) The general manager has business management experience and the production manager has spent many years in the production of fur garments. (f) Productivity is not the major management problem. Management objectives relate to the development and sale of profitable product lines. The same was true with the previous management.

PRODUCTION OF FLUID MILK

Question No. 1,277—**Mr. Robinson:**

How much fluid milk was produced in 1973 and 1974?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that the fluid milk produced in 1973 amounted to 5,516,189,000 pounds and in 1974, 5,643,148,000 pounds.

PRODUCTION OF POWDERED MILK

Question No. 1,278—**Mr. Robinson:**

How much powdered milk was produced in 1973 and 1974?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that the production of powdered skim milk in 1973 amounted to 309,690,000 pounds and in 1974, 301,283,000 pounds. Small quantities of whole milk powder, are excluded to avoid disclosure of individual plant operations.

NATIONAL DEFENCE—PERSONNEL 1974-1975

Question No. 1,301—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of National Defence on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. James Richardson (Minister of National Defence): 1. The number of full-time employees receiving salaries for the dates in question was as follows: (a) January 1, 1974—32,355; (b) January 1, 1975—32,449.

Order Paper Questions

2. The number of full-time employees who in 1974 and 1975 received salaries in accordance with the salary ranges in question is listed below:

	1974	1975
(a) Under $10,000	27,812	25,143
(b) Between $10,000 and $20,000	4,026	6,573
(c) Between $20,000 and $30,000	504	617
(d) Over $30,000	13	116
Total	32,355	32,449

DEPARTMENT OF SUPPLY AND SERVICES—PERSONNEL 1974-75

Question No. 1,319—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of Supply and Services on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. (a) 8559; (b) 9011.

2.

	1974	1975
(a)	5210	4725
(b)	2834	3450
(c)	498	769
(d)	17	67

NATIONAL DEFENCE—GOODS, SERVICES, REAL AND ESTIMATED

Question No. 1,325—**Mr. Forrestall:**

1. With reference to the definitions used in response to Question No. 515 (a) what was the total cost of goods and services exclusive of personnel costs and transfer payments supplied to the Department of National Defence during (i) the 12 months ended March 31, 1974 (ii) the 12 months ended March 31, 1973 (b) what is the estimated cost for the fiscal year 1974-75?

2. What is the real increase in total cost for goods and services to the Department for the 12 months ended March 31, 1974 over the comparable figure to March 31, 1973, expressed as a percentage?

3. What is the estimated real increase in total cost for goods and services to the Department for the 12 months ended March 31, 1975 over the comparable figure to March 31, 1974, expressed as a percentage?

Hon. James Richardson (Minister of National Defence): 1. (a) The total cost of goods and services exclusive of personnel costs and transfer payments supplied to the Department of National Defence during: (i) the 12 month period ending March 31, 1974, was $818,979,000; (ii) the 12 month period ending March 31, 1973, was $693,838,000. (b) The estimated cost for fiscal year 1974-75 is $956,903,000.

2. The real increase in total cost of goods and services supplied to the department during the 12 month period ending March 31, 1974 compared with the corresponding 12 month period ending March 31, 1973, expressed as a percentage was 5.9 per cent.

[Mr. Richardson.]

3. The estimated real increase in total cost of goods and services supplied to the department during the 12 month period ending March 31, 1975 compared with the corresponding 12 month period ending March 31, 1974, expressed as a percentage is 0.27 per cent.

SENIOR MANAGEMENT

Question No. 1,344—**Mr. Orlikow:**

1. What categories and ranks specifically of public servants (other than SX) are considered part of the Senior Management complement of government departments?

2. What are the salary ranges of each and how much of these categories have salary maximums equal to or exceeding that of SX 1 public servant?

3. In each of these categories, how many public servants are employed?

Hon. Jean Chrétien (President of Treasury Board): 1. Positions classified in the groups and levels displayed below are considered to be equivalent to senior executive officer levels and part of the management complement of government departments:

Group	Level	Salary Range Minimum	Salary Range Maximum	Number of Incumbents
Actuarial Science	4	28,000	34,600	1
Agriculture	6	25,100	32,000	7
Architecture & Town Planning	8	25,500	32,500	6
	9	28,500	36,300	1
Auditing	7	25,500	32,500	5
Biological Sciences	6	25,400	31,300	5
Chemistry	6	25,000	32,000	1
Economics, Sociology & Statistics	5	27,300	33,800	82
Education Services	7	25,500	32,500	1
Engineering & Land Survey				
Engineering	7	25,500	32,500	31
	8	28,100	35,200	3
Land Survey	7	25,500	32,500	6
	8	28,100	35,200	0
Forestry	5	25,500	32,500	1
Foreign Service	4	30,500	35,800	64
	5	34,400	38,900	13
Historical Research	5	22,000	30,000	6
Law	3	27,400	43,000	32
Medicine—Medical Officer	4	34,995	39,301	41
	5	33,100	40,700	18
Meteorology	11	25,500	31,300	12
Physical Sciences	6	25,100	30,500	2
Psychology	5	21,941	27,295	1
Scientific Regulation	10	25,500	32,500	1
Scientific Research				
Research Manager	3	27,100	34,700	124
Science Adviser	1	18,700	32,500	1
	2	22,000	31,000	0
Social Work	6	19,500	24,700	0
Veterinary Science	6	25,500	32,500	2

2. Salary ranges for each of these groups and levels are displayed in (1) above. All but nine of these salary ranges

have maxima equal to or exceeding the maximum of the senior executive officer 1 salary range.

3. The number of public servants in positions classified in these groups and levels are displayed in (1) above.

ADVERTISING REVENUE FROM ENGLISH AND FRENCH CBC PROGRAMMES

Question No. 1,363—**Mr. Herbert:**

During each of the past five years, what was the division of advertising revenue for television between English and French programmes of CBC?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: The division of net advertising revenue for television between the English and French television networks of CBC during each of the past five fiscal years is as follows:

Television	English $	French $
1973/74	32,385,000	12,038,000
1972/73	29,531,000	9,863,000
1971/72	26,921,000	8,852,000
1970/71	24,620,000	8,285,000
1969/70	26,708,000	7,352,000

*FOREIGN STUDENTS ENROLLED IN MEDICINE IN CANADA

Question No. 1,445—**Mr. Rynard:**

1. How many foreign students are enrolled in medicine this year in all Canadian universities?

2. What is the percentage rate and how many students plan to remain in Canada upon graduation?

3. What is the percentage of doctors practicing in Ontario and Quebec who were born (a) outside the province in which they practice (b) outside of Canada?

4. How many students born in Canada who qualified academically for medical school were rejected, by province?

5. What is the cost of educating a doctor from his entrance to medical school to his graduation?

6. What is the cost of educating a doctor at (a) the University of Toronto (b) the University of Montreal (c) the University of Manitoba (d) Laval University (e) the University of British Columbia?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. 96.

2. Plans of students after graduation are not known.

3. Information is not available on the place of birth of doctors practising in Ontario and Quebec. The following information is available on the place of graduation: Active physicians in Ontario—11.3 per cent graduated in other Canadian provinces; 32.1 per cent graduated outside Canada; active physicians in Quebec—6.6 per cent graduated in other Canadian provinces; 15.7 per cent graduated outside Canada.

4. Data, by province, on the number of Canadian students rejected from medical school should be obtained from the respective provinces. Out of 2,935 Canadian students who applied for medical school in 1972, 1,178 were rejected. Information for 1973 and 1974 is not yet available.

5 and 6. This information can be obtained from the respective provinces.

LANGUAGE TRAINING FOR WIVES OF SENIOR OFFICIALS

Question No. 1,449—**Mr. Cossitt:**

1. With reference to the answer to Question No. 24 which, among other persons, listed P. A. Bourne, wife of an employee of the Department of the Solicitor General, as one of those taking French language courses at government expense while not herself a member of the Public Service, is this individual the wife of Mr. R. B. Bourne, Assistant Deputy Minister in charge of the Police and Security Planning and Analysis Group?

2. What is the exact annual salary in dollars paid to Mr. Bourne?

3. For what reason did the government at taxpayer's expense pay for Mrs. Bourne's French language courses (a) was one of the reasons because the government believed that Mr. Bourne's salary was not sufficient for him to pay this expense himself (b) over how long a period of time did Mrs. Bourne take French language courses at taxpayer's expense and what was the total annual salary of Mr. Bourne during that period of time?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: see reply to Question No. 1,446 answered March 12, 1975.

NATIONAL DEFENCE—POSSIBLE DISCREPANCIES ON RECORD OF E. H. SCHLEYER

Question No. 1,473—**Mr. Howie:**

Are there any discrepancies on the military records of Earle Hazen Schleyer (C-18056) and, if so, will the government consider reviewing his court martial?

Hon. James Richardson (Minister of National Defence): As this case has been carefully reviewed by the government in response to earlier requests and as no discrepancies have been found a further review is not considered necessary.

UIC—AMENDMENTS

Question No. 1,527—**Mr. Schellenberger:**

Will the government give consideration to amending the Unemployment Insurance Act, in particular the Sections of the Act and Regulations that stipulate that sickness benefits are only payable during the initial benefit period?

Hon. Robert K. Andras (Minister of Manpower and Immigration): On my instructions the commission has been conducting a comprehensive review of the existing Unemployment Insurance Act and Regulations. The sickness benefit provisions are among those which have been selected for reconsideration.

*PENSIONS PAID TO RETIRED CHARTERED BANK EMPLOYEES

Question No. 1,553—**Mr. Knowles (Winnipeg North Centre):**

Has the Minister of Finance, or the Inspector-General of Banks acting for the Minister, since April 10, 1974, had any further discussions with the chartered banks concerning the need for the pensions paid to their retired employees to be escalated annually by an amount at least equal to the rise in the cost of living and, if so, can the Minister

now say whether the chartered banks are implementing this practice with respect to their retired employees and, if not, whether they have made any improvement in this regard since they reported to the Minister as indicated in his statement recorded on page 1323 of *Hansard* for April 10, 1974?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is not the policy of government to impose conditions on pension plans of private employers beyond those conditions contained in the Pension Benefits Standards Act, and there have been no further discussions with the chartered banks concerning the pensions of their retired employees. As reported earlier, however, the banks normally review the situation annually, taking into account the rise in cost of living, and make special supplementary payments particularly to the older pensioners or their survivors.

LANGUAGE TRAINING FOR UNILINGUAL PERSONS WINNING COMPETITIONS

Question No. 1,576—**Mr. Herbert:**

1. Of the unilingual persons winning competitions for positions designated bilingual, what percentage are sent for language training in (a) the English language (b) the French language?

2. Are statistics kept for the past two years on the number of such persons?

3. What is the failure rate from such training?

4. In the event of a failure to pass such a language course, are the original competition entrants given an opportunity to fill the position if they have the necessary qualifications?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. (a) In the English language—10.6 per cent; (b) In the French language—89.4 per cent.

2. Statistics on the number of such people have been kept from the inception of continuous/intensive training.*

3. The Language Bureau decided to terminate training in the case of 2.1 per cent of the competition winners.*

4. Yes. Normally, the candidate whose name appears next on the eligible list established for that competition would then be offered the position concerned.

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*The period for which these statistics apply is from September 1, 1973 to December 31, 1974.

INCOME TAX—INCORPORATED FAMILY FARMS AND TAX RATES

Question No. 1,585—**Mr. Schellenberger:**

Is the Minister of Finance considering removing incorporated family farms from the ordinary category of incorporated business for the purpose of income tax, such measures in some instances raising their tax rate from 21 percent to 50 percent?

Hon. John N. Turner (Minister of Finance): No, there is no contemplation of removing incorporated farms from the ordinary category of incorporated business for the purpose of income tax. Incorporated farms benefit from the small business deduction, thereby effectively paying corporate taxes at a 25 per cent rate on the first $100,000 of active business income under the recent budget proposal. (Previously, the first $50,000 was eligible for the low rate of tax.) Only the excess over $100,000 in a taxation year would be subject to the higher rate of tax under Bill C-49, until such time as the cumulative limit of $500,000 was reached.

[Mr. Knowles (Winnipeg North Centre).]

UNIVERSAL PRODUCT CODE

Question No. 1,605—**Mr. Saltsman:**

1. Has the Minister of Consumer and Corporate Affairs made an investigation into the new checkout system of supermarkets, called the universal product code, with the view of ascertaining how this automated system is going to affect consumers?

2. Is the Minister also checking into the concerns of the Consumers Association of Canada that credit information compiled by the supermarkets and stored in their computers will be sold to other businesses?

3. Is the Minister also investigating the psychological effects of this system, particularly the concern of the Consumers Association of Canada, that the removal of a visible price will remove the consumer's price consciousness and that this is the aim of the universal produce code?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. Yes, the Department of Consumer and Corporate Affairs is monitoring the operation of the one retail food store now using the new computer operated checkout system involving the universal product code.

2. Yes, the department has been considering the concerns of the Consumers' Association of Canada. However, there is no evidence to indicate that the computer will be used to store credit information or that credit information will be sold to other businesses. For the most part, supermarkets do not extend credit, but rather cheque cashing privileges.

3. No, at this time the department has not undertaken any research into the psychological effects of the system on consumers' price consciousness, nor to our knowledge, have the retailers involved in Canada or the United States. As far as the Department is aware there is no intention to remove visible prices. The system at present being tested replaces prices on the items by prices on shelves.

*SOUTHWESTERN ONTARIO AIRPORTS STUDY PROJECT

Question No. 1,665—**Mr. O'Sullivan:**

1. (a) In connection with the Ad Hoc Advisory Committee of the Southwestern Ontario Airports Study project, were the municipal councils of the Town of Ancaster and the Township of Glanbrook requested to suggest representatives for this Committee (b) did these municipal councils recommend any names to the Department of Transport (c) were any of these persons appointed to the committee (d) if recommendations were made and these people not appointed to the committee, what was the reason or reasons for omitting these citizens recommended by the municipal councils?

2. (a) Did a vacancy arise on the membership of the committee as a result of Mr. Walter Stayshyn being appointed to the bench (b) does this vacancy still exist (c) is the Minister of Transport considering the filling of this vacancy by appointing a representative recommended by either the municipal councils of Ancaster or Glanbrook?

3. (a) Has the Minister of Transport received representations from the Chairman of the Regional Municipality of Hamilton-Wentworth, and Mayor Ann Sloat of Ancaster regarding the government's failure to appoint citizens recommended by the councils of Glanbrook and Ancaster to the committee (b) on what dates and by what means were these messages received and transmitted (c) on what date were these representations replied to by the Department of Transport?

4. Is the Minister of Transport considering expanding the Advisory Committee to include representatives designated by the municipal councils of the Town of Ancaster and the Township of Glanbrook?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): 1. (a) Yes; (b) yes; (c) yes, Mr. C. E. Stewart from township of Glanbrook. (d) It was felt that an ad hoc advisory committee made up of representatives appointed by municipal councils and organized citizens groups would necessarily be too large and inflexible while not necessarily providing genuine and balanced "citizen" participation. Consequently, a balanced group of "citizens" were appointed to sit as citizen representatives rather than as representatives or appointees of groups with which they might be associated or to which they might be sympathetic. It was impossible to keep the group to a workable size, and also to balance 16 people against all possible criteria such as home location, age, profession, airport stance, civic group affiliation, etc. Although we were not able to offer a position to the town of Ancaster's nominee, Ancaster has been informed that its representatives may attend the committee meetings as observers and/or present their viewpoints and briefs to the committee if they wish.

2. (a) Yes, (b) no; (c) a citizen of Glanbrook, C. E. Stewart, filled the vacancy. Mayor Hylsop was consulted.

3. (a) Yes; (b) telex from Mayor Ann Sloat: February 13, 1975. Telex from Chairman Ann Jones: February 11, 1975. (c) Both representations were replied to on February 13, 1975, by phone.

4. No. However, Mayor Sloat has been assured that if for some reason another vacancy occurs on the ad hoc advisory committee, a citizen living in Ancaster will receive first consideration as a replacement.

TRAPPING OF GATINEAU PARK BEAVERS

Question No. 1,670—**Mr. O'Sullivan:**

1. Are beavers trapped by any agency of the government in Gatineau Park and, if so (a) which agency does the trapping (b) what kind of traps are used?

2. Does the government ever use leg traps in the capture of beavers and, if so, in what locations?

3. Has the government received submissions on alternate methods of trapping to the use of leg traps and, if so, what were the findings of the submissions?

4. (a) How many beavers were trapped in Gatineau Park during the year 1974 (b) were the beaver pelts sold and, if so, how much was the government paid for them?

Hon. Barney Danson (Minister of State for Urban Affairs): In so far as the National Capital Commission is concerned: 1. (a) As the agency responsible for Gatineau Park, the National Capital Commission traps beaver as part of the wildlife management programme. (b) If the habitat conditions permit, beaver are live trapped and moved to alternate areas. Otherwise, Coni-Bear traps are used.

2. No.

3. Although there is no record of any submissions on alternate methods of trapping, other types of traps are known to the Warden Service of the National Capital Commission and to the Canadian Wildlife Service (which advises NCC on all aspects of wildlife control and management), and it is possible that alternative types of traps may have been suggested in letters.

4. (a) 24; (b) Beaver pelts sold during 1974 derived revenue of $791.18.

INCOME TAX PAID BY FEDERAL EMPLOYEES

Question No. 1,671—**Mr. Huntington:**

How much income tax is paid by government employees?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): For the calendar year 1974, the following amounts were deducted at source from government employees paid through the services of the Department of Supply and Services: Federal tax $576,464,634.38; Quebec tax $54,151,739.59.

APPLICATIONS UNDER THE FISHERIES IMPROVEMENT LOANS ACT

Question No. 1,681—**Mr. Allard:**

How many loan applications were submitted in 1974 by Quebec fishermen under the Fisheries Improvement Loans Act?

Hon. John N. Turner (Minister of Finance): Applications for loans under guaranteed loans plans are made directly to chartered banks and other designated lenders. Records are maintained centrally by the government only in respect of loans granted under the guarantee and no data is available on the number of applications submitted to lenders.

FARM CREDIT CORPORATION—PUBLIC SERVANTS AND CONSULTANTS IN EMPLOY

Question No. 1,689—**Mr. Scott:**

For each year 1972 to 1974, how many (a) full-time public servants (b) part-time public servants (c) consultants were in the employ of the Farm Credit Corporation?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises:

	(a)	(b)	(c)
March 31, 1972	568	6	—
March 31, 1973	599	14	—
March 31, 1974	632	14	—

FARM CREDIT CORPORATION—APPLICATIONS FOR LOANS, 1972-74

Question No. 1,690—**Mr. Scott:**

By province, for each year 1972 to 1974, how many applications for loans were (a) made to the Farm Credit Corporation (b) approved?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises:

	(a)			(b)		
	1972–73	1973–74	April 1, 1974 to January 31, 1975	1972–73	1973–74	April 1, 1974 to January 31, 1975
British Columbia	270	400	293	215	330	234
Alberta	1,446	2,108	1,742	867	1,580	1,468
Saskatchewan	2,439	3,128	2,121	1,694	2,527	1,932
Manitoba	636	951	731	439	744	680
Ontario	1,794	3,114	2,340	1,273	2,475	2,007
Quebec	964	1,560	1,816	682	1,216	1,517
New Brunswick	74	75	66	70	62	62
Nova Scotia	30	39	8	23	31	6
Prince Edward Island	55	91	77	33	66	73
Newfoundland	6	11	10	6	10	10

FARM CREDIT CORPORATION—APPLICATIONS FOR LOANS IN VICTORIA-HALIBURTON CONSTITUENCY

Question No. 1,691—**Mr. Scott:**

For each year 1972 to 1974, how many applications for loans were (a) made to the Farm Credit Corporation from the constituency of Victoria-Haliburton (b) granted?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises: Statistics are not maintained on a constituency basis. However, for the counties of Victoria (except the township of Manvers), Haliburton and Peterborough (except the township of Cavan), the answer is:

	1972–73	1973–74	April 1, 1974 to January 31, 1975
(a)	38	65	44
(b)	25	47	32

EXPO '67—REPAYMENT OF FEDERAL LOANS

Question No. 1,699—**Mr. Halliday:**

1. Has the City of Montreal repaid the government the loan it obtained for EXPO '67?

2. Was interest charged and, if so, has it been paid?

Hon. John N. Turner (Minister of Finance): 1. Loans by the federal government to finance Expo '67 were made directly to the Canadian Corporation for the 1967 World Exhibition. In accordance with the terms of a tripartite agreement, the final deficit of the corporation, that is, the net cost of the exhibition, was shared by the federal government, the province of Quebec, and the city of Montreal. In the settlement of accounts among the partners, an amount of $14,371,429 was due by the city of Montreal to the federal government. This amount is being paid in instalments, the first of which was received on October 1, 1969 and the last of which is due on April 1, 1977. As of February 28, 1975, the principal outstanding had been reduced to $5,816,000.

2. Interest is being charged on this loan at the rate of 5.46 per cent per annum. Interest payments have thus far been met as and when due.

[Mr. Whelan.]

CBC-FM RADIO STATION, RICHIBUCTO, N.B.

Question No. 1,700—**Mr. Jones:**

1. (a) On what date was a FM radio station established for Richibucto, New Brunswick (b) who was responsible for the establishment (c) to what network does it belong?

2. What language is used on the FM radio station for Richibucto?

3. (a) How is programming for this station provided (b) is its programming simultaneous to the CBC AM station at Moncton, New Brunswick?

4. What was the capital cost to erect and establish the FM radio station for Richibucto?

5. By year, since its inception, what have been the total costs, capital and operating, in detail, for the station?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. (a) The station, CBHM-FM, officially commenced operations on November 19, 1968. (b) Canadian Broadcasting Corporation. (c) It belongs to the French AM radio network of the CBC.

2. French.

3. (a) It is programmed via leased network facilities from CBAF, Moncton. (b) Yes.

4. $9,977.94.

5. Since its establishment no further capital expenditures have been made. Operating costs have averaged $300 per annum for parts, tests and maintenance. As for the annual network line charges from the telephone company, they are included in a contract for radio network service to many other locations across the country and cannot be specifically isolated. It is estimated, however, that the feed has cost approximately $1,900 per annum.

URANIUM OR PLUTONIUM MISSING IN CANADA

Question No. 1,712—**Mr. Francis:**

Has any uranium or plutonium been missing or unaccounted for in Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: No, other than the acceptably small quantities lost in normal processing.

SMALL BUSINESSES LOANS ACT—APPLICATIONS

Question No. 1,734—**Mr. Carter:**

1. How many applications were submitted in Newfoundland for loans under the Small Businesses Loans Act for the periods (a) October 1974 to December 1974 (b) January 1974 to December 1974 (c) January 1973 to December 1973?

2. What were (a) the names of the lending agencies in Newfoundland to whom applications were submitted during the same periods (b) the amounts requested (c) in each case, the number of loans approved?

Hon. John N. Turner (Minister of Finance): 1. Applications for loans under guaranteed loans plans are made directly to chartered banks and other designated lenders. Records are maintained centrally by the government only in respect of loans granted under the guarantee and no data is available on the number of applications submitted to lenders.

2. Under this program all chartered banks are eligible lenders and hence applications may be submitted to any chartered bank in Newfoundland. In addition, other lenders such as credit unions, loan, trust or insurance companies may apply for designation as lenders. However, in Newfoundland, none of these have applied for such designation.

FISHERIES IMPROVEMENT LOANS ACT—APPLICATION

Question No. 1,735—**Mr. Carter:**

1. How many applications were submitted in Newfoundland for loans under the Fisheries Improvement Loans Act for the periods (a) January 1974 to December 1974 (b) January 1973 to December 1973?

2. What were (a) the names of the lending agencies in Newfoundland to whom applications were submitted during the same periods (b) the amounts requested (c) in each case, the number of loans approved?

Hon. John N. Turner (Minister of Finance): 1. Applications for loans under guaranteed loans plans are made directly to chartered banks and other designated lenders. Records are maintained centrally by the government only in respect of loans granted under the guarantee and no data is available on the number of applications submitted to lenders.

2. Under this program all chartered banks are eligible lenders and hence applications may be submitted to any chartered bank in Newfoundland. In addition, other lenders such as credit unions, loan, trust or insurance companies may apply for designation as lenders. However, in Newfoundland, none of these have applied for such designation.

ADVERTISING COSTS OF "NOW: IT'S SHOP FOR A JOB" AND "ANDRAS IN ACTION"

Question No. 1,747—**Mr. Cossitt:**

1. What was the total cost of the advertisement appearing February 21, 1975 in the Toronto *Star*, Toronto *Sun* and the Toronto *Globe and Mail* entitled: "Now: It's Shop For A Job" and showing a picture of the Hon. Robert Andras entitled: "Andras In Action" and of this amount how much was paid to each paper?

2. Did the advertisement appear in any other newspapers and, if so, what papers and at what cost in each case?

3. What is the name of the advertising agency that handled this matter and what commission did it receive?

Order Paper Questions

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Total cost of advertisements $11,295; Toronto *Star*, $6,237; Toronto *Sun*, $900; Toronto *Globe and Mail*, $4,158.

2. No.

3. No advertising agency was involved and no commission was paid.

EXTERNAL AFFAIRS—NUMBER OF PUBLIC SERVANTS IN CONTINENTAL REGIONS

Question No. 1,759—**Mr. Herbert:**

In the Department of External Affairs for the month of April 1975, what is the budgeted number of public servants to work in the continental regions of (a) North America excluding Canada (b) South America (c) Europe (d) Asia (e) Australasia?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): (a) North America excluding Canada—235; (b) South America—52; (c) Europe—579; (d) Asia—135; (e) Australasia—23.

DOCUMENT "MEMBERS OF PARLIAMENT AND CONFLICT OF INTEREST"

Question No. 1,763—**Mr. Herbert:**

On Page 4 of the document *Members of Parliament and Conflict of Interest* is it recorded "In particular it must be acknowledged that the opportunity for an individual Member of Parliament other than a Minister, to alter substantially the course and content of public policies is limited. He is not part of the executive and in a parliamentary system of government the extent of his influence is significantly circumscribed by that fact." and, if so, does the government intend to suggest procedures by which an individual Member of Parliament, other than a Minister, can increase his influence on the course and content of public policies?

Hon. Mitchell Sharp (President of the Privy Council): See page 4 of Green Paper on Members of Parliament and Conflict of Interest, tabled in the House of Commons on November 27, 1974. See page 12 of *Votes and Proceedings* of the House for September 30, 1974, and Order of Reference of February 21, 1975 to the Standing Committee on Procedure and Organization.

CBC—TOTAL COST OF NEW LOGO

Question No. 1,774—**Mr. MacKay:**

What was the total cost, promotional, developmental, etc., of the new CBC logo?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: it has not been customary to require the CBC to supply such details of its internal management and administration.

LIP—KEEPING INFORMATION CONFIDENTIAL

Question No. 1,824—**Mr. Cossitt:**

1. With reference to the answers to Question Nos. 534, 617, 619 and 1,181 stated in part: "The Department of Manpower and Immigration regards as confidential the names and content of all representations made to the Minister or to the Department" (a) is this a direct attempt by the government to withhold information from Parliament that it

considers politically embarrassing (b) what are the reasons that justify the withholding of such information (c) by what authority was such a decision made to withhold such information (d) what is the name and job designation of the highest ranking individual making the decision to withhold such information (e) on what exact date was such decision made?

2. Is the government concerned that revelation of such information would illustrate political interference with the Local Initiatives Programme?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1 (a) No. (b) See answers to Question Nos. 534, 617, 619, and 1,181. (c) See Beauchesne's Parliamentary Rules and Forms, fourth edition, citation 181 (3) and 181 (4). (d) Hon. Robert Andras, Minister of Manpower and Immigration. (e) March 3, 1975.

2. No.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF TRANSPORT CONTRACTS

Question No. 560—Mr. Symes:

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 by the Department of Transport on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

TREASURY BOARD TRAVEL EXPENDITURES

Question No. 707—Mr. Stevens:

1. In each fiscal year ending March 31, 1972, 1973 and 1974, and for the six month period ending September 30, 1974, what was the aggregate expenditure by the Treasury Board Secretariat for travel abroad by (a) the President of the Treasury Board and his immediate staff (b) departmental staff (c) the staff of boards, commissions, tribunals, Crown corporations or other similar agencies reporting to the Minister (d) others whose expenses were paid in part or in whole directly or indirectly by the government?

2. In the case of an expenditure in excess of $200 (a) what was the purpose of the foreign trip (b) what was the furthest destination (c) what is the name of the person(s) who took the trip (d) how long was the person(s) outside the country (e) what was the nature of the expenditure (f) how many others were in the party making the trip?

Return tabled.

DEPARTMENT OF COMMUNICATIONS TRAVEL EXPENDITURES

Question No. 713—Mr. Stevens:

1. In each fiscal year ending March 31, 1972, 1973 and 1974, and for the six month period ending September 30, 1974, what was the aggregate expenditure by the Department of Communications for travel abroad by (a) the Minister of Communications and his immediate staff (b) departmental staff (c) the staff of boards, commissions, tribunals, Crown corporations or other similar agencies reporting to the Minister (d) others whose expenses were paid in part or in whole directly or indirectly by the government?

2. In the case of an expenditure in excess of $200 (a) what was the purpose of the foreign trip (b) what was the furthest destination (c) what is the name of the person(s) who took the trip (d) how long was the person(s) outside the country (e) what was the nature of the expenditure (f) how many others were in the party making the trip?

Return tabled.

STUDIES CONDUCTED BY GOVERNMENT ON EFFECT OF CANNABIS USE

Question No. 1,124—Mr. Jelinek:

Are any studies being conducted by government agencies or through government grants on the effects of long term cannabis use and, if so (a) what are they (b) what is the dollar value of any such grants?

Return tabled.

"LIFESTYLE CALENDAR"—SUPPLY AND RESPONSIBILITY

Question No. 1,177—Mr. O'Sullivan:

1. (a) Is the government supplying a "Lifestyle Calendar" as a supplement to newspapers in December and, if so, in what newspapers will this calendar appear (b) what is the total cost of the production of this calendar and the placement of it as a supplement in newspapers (c) are any copies other than those appearing in newspapers being produced and, if so, how many and at what cost?

2. (a) Who is responsible for the proposal of a "Lifestyle Calendar" to be published by the government (b) who approved this proposal (c) what was the total cost of the design of the calendar (d) from which department or departments will the costs of the calendar be met (e) how much is being paid to individuals or companies outside the government for assistance in the production of the calendar (f) to whom are these amounts being paid?

Return tabled.

LIP—ALLOCATIONS 1973-74 AND 1974-75

Question No. 1,220—Mr. Oberle:

1. What were the census figures of 1971 and the estimated population figures and the percentage of unemployment on which allocations for Local Initiatives Programmes were based (a) in 1973-74 (b) in 1974-75?

2. What were the amounts of money allocated in (a) 1973-74 (b) 1974-75 for the constituencies of (i) Coast Chilcotin (ii) Kamloops-Cariboo (iii) Skeena (iv) Prince George-Peace River?

Return tabled.

NATIONAL WAGE PARITY FOR GOVERNMENT EMPLOYEES

Question No. 1,251—Mr. Forrestall:

1. What is the current estimated payroll cost to the federal treasury on an annual basis for the adoption of national wage parity for government employees?

2. How many people would be affected, by classification and by region, should the present policy of paying regional rates be abolished?

3. What would be the additional costs for fringe benefits, employer contributions to pension plans, UIC, etc., should national wage parity for government employees be adopted in dollar terms and as a percentage of the additional wage bill?

Return tabled.

CNR FREIGHT CAR DERAILMENTS

Question No. 1,282—Mr. Carter:

1. How many rail freight car derailments occurred in Newfoundland in the past three years and on what dates did they occur?

2. What has been the total cost to CNR of the derailments in Newfoundland during that period, including repairs and claims?

3. Are all repairs and maintenance on CNR's rolling stock in Newfoundland undertaken by CNR personnel in Newfoundland and, if not, what percentage of the work is undertaken outside of the Province and for what reason?

Return tabled.

CONSTRUCTION OF POST OFFICE IN SASKATCHEWAN

Question No. 1,537—**Mr. Hnatyshyn:**

1. How many revenue post offices were constructed in the Province of Saskatchewan during the past six years?

2. How many post offices were constructed in the Province of Saskatchewan in the years 1954 to 1964?

3. What was the revenue for each of the post offices in the Province of Saskatchewan during the past fiscal year?

Return tabled.

TRIPS MADE BY MR. N. J. CASTONGUAY, 1973-75

Question No. 1,579—**Mr. Blackburn:**

1. During the fiscal years 1973-74 and 1974-75 to date, how many trips outside Ottawa were made at public expense by Mr. N. J. Castonguay, the Representation Commissioner?

2. For each such trip (a) what were the dates of departure and return (b) what place or places were visited (c) what was the purpose of the trip (d) what was the specific form of transportation used?

3. For each such trip, what expenses were claimed by Mr. Castonguay for (a) transportation (b) hotel accommodation (c) food (d) incidentals?

4. For each such trip, what were the names and positions of other government employees who accompanied Mr. Castonguay and, in each case, what expenses were claimed by them?

5. For each such trip (a) what were the names of persons other than government employees who accompanied Mr. Castonguay at public expense (b) in what capacity were they acting (c) what expenses were claimed by them?

Return tabled.

NUMBER OF BANDS ON SERVICE IN CANADIAN ARMED FORCES

Question No. 1,673—**Mr. Howie:**

1. (a) How many bands are on full-time service in the Canadian Armed Forces (b) what are their names and locations?

2. (a) How many bands are in the militia (b) what are their names and locations?

3. Are there any other musical groups which receive assistance from the Department of National Defence?

Return tabled.

Mr. Cossitt: Mr. Speaker, I rise on a point of order with regard to questions Nos. 531, 532 and 533, which ask for information concerning the functions of Ivan Head in the Prime Minister's office, the part he is playing in Canadian foreign policy, his relationship with the Secretary of State for External Affairs, and details regarding possible manipulation or management of the news media on behalf of the Prime Minister's public image. These questions have remained unanswered since October 31 of last year, a period of approximately five months. They are straightforward. I believe the information could have been given within a matter of a very few days, and I know of nothing to authorize anyone in the Prime Minister's office, including Mr. Head, literally to thumb his nose at the elected parliament of this country when its members ask for information. I would ask the parliamentary secretary if he can give the House any indication of when these questions will be answered?

● (1420)

Mr. Reid: Soon, Mr. Speaker.

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

DREDGING CONTRACTS—WHEN PRIME MINISTER FIRST AWARE OF POSSIBILITY OF FRAUD—POSSIBLE INVESTIGATION OF PROCEDURE FOR LETTING CONTRACTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister who will be aware that since he left these shores there has been a substantial number of charges laid in connection with dredging contracts, the basis of which is a massive fraud. Since these charges arose out of an investigation requested by the Solicitor General, who would have received progress reports from time to time as the investigation proceeded, would the Prime Minister tell the House approximately when he was first informed by the Solicitor General of the possibility of such a massive fraud, as has now been reinforced by the charges that have been laid?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, subject to checking my memory and my files, I would say that my knowledge of such events from the Solicitor General was quite recent. He did talk to me in my office about the SIU series of events, but I cannot remember that dredging was brought into the discussion at that point.

Mr. Stanfield: Mr. Speaker, has the Prime Minister caused any investigation to be conducted directly under his own order or direction into the procedures followed by his government with regard to the letting of contracts for dredging, and the supervising of the letting of such contracts, in order to satisfy himself that the procedure followed was proper?

Mr. Trudeau: No, Mr. Speaker. When I first heard about the possibility of misconduct in that area I did discuss it with the Minister of Transport to ensure myself that he was looking into the files to assure himself that everything had been correctly performed as far as the department was concerned.

DREDGING CONTRACTS—REQUEST FOR PUBLIC INQUIRY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the scope of the charges and the possible extent of the conspiracy and fraud here on a national scale, and I emphasize that word "possible"

because nothing is fact until it is proven, does the Prime Minister really feel he is satisfied in discharging his duties as Prime Minister in pursuing what seems to be a very casual approach to such a possible massive fraud, and can he not assure the House that in the interest of reassuring the Canadian public and reaffirming the good name and openness of his government throughout the country that he will sponsor a public inquiry?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know to whom or to what the Leader of the Opposition is referring when he mentions a casual approach. Surely, the fact that charges have been laid, verdicts of guilty have already been rendered and the extent to which this inquiry has been conducted and charges laid would seem to prove to the contrary, that neither the police nor the government have been lax or have taken a casual approach to this whole matter. I forget the second part of the question.

Mr. Stanfield: A public inquiry.

Mr. Trudeau: At this stage, Mr. Speaker, I have given the matter some thought; I understand it was brought up during my absence. I must say that my conclusions are the same as those stated by the Acting Prime Minister. The progress in the case, the actions of the police at the various levels, the system of justice under which we operate and under which several individuals are now to undergo trial, and the fact that no allegations have been made by the opposition nor by anyone else, are of a nature to show we should not depart from the normal process of criminal justice which exists in Canada and resort to what I have referred to before as an inquisitorial system of justice where you go on fishing expeditions against people who are the subject of no accusation. As a Liberal Government—and I believe this is also the mood of the people and corresponds to the system of justice in our country today—we do not inquire into people unless there is real cause to believe the normal process of ordinary justice is being subverted.

Some hon. Members: Hear, hear!

Mr. Speaker: The Leader of the Opposition on a final supplementary.

Mr. Stanfield: Mr. Speaker, although I agree with the Prime Minister about—

Some hon. Members: Hear, hear!

Mr. Stanfield: —preserving the presumption of innocence and the safeguarding of our traditional criminal procedures in respect of presumption of innocence, will the Prime Minister not agree, in respect of an alleged fraud of this scope which concerns institutions as much as people, that he should be concerned rather about all the people of Canada and that, in the course of the public inquiry, our institutions are functioning properly, and, quite apart from the guilt or innocence of particular persons—and I am not going on a fishing expedition with regard to particular persons—does the Prime Minister not recognize and agree that it is unlikely that a fraud of this scale could happen if the institution concerned is functioning properly and in proper relation with the country as a whole, including business.

[Mr. Stanfield.]

Mr. Trudeau: Mr. Speaker, it is not clear to me to what institution the Leader of the Opposition is referring in his last sentence—

Mr. Stanfield: The Government of Canada.

Mr. Trudeau: —as not functioning properly.

Mr. Hees: It is the Government of Canada.

DREDGING CONTRACTS—SUGGESTED INQUIRY INTO REASON NO ACTION TAKEN ON AUDITOR GENERAL'S COMPLAINTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to follow with a supplementary which I believe is to the point. Complaints about dredging contracts have been raised by the Auditor General for eleven years and the incidents that have led to charges go back to 1969. Is the Prime Minister considering some sort of inquiry, independent or otherwise, to find out why no action was taken and how these incidents that have led to charges of massive misuse of public funds were allowed to happen. In other words, is the Prime Minister prepared to look into this matter in light of the fact that the Auditor General indicated for some time that there was fault in respect of the dredging contracts.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know of no allegation of wrong doing made by the Auditor General. Insofar as the present incidents are concerned, the Solicitor General, in his statement tonight, will make clear before a committee of the House that from the very first, when information concerning possible wrong doing was brought to our attention, all the various ministers involved including the Solicitor General, the Minister of Transport and the RCMP have acted with great diligence, and I would say with the greatest success, which would seem to indicate that the institution to which the Leader of the Opposition just referred is functioning rather well.

Some hon. Members: Hear, hear!

● (1430)

DREDGING CONTRACTS—KNOWLEDGE OF MEMBERS OF GOVERNMENT OF POSSIBILITY OF FRAUD

Mr. Lincoln M. Alexander (Hamilton West): Since the Prime Minister feels that an independent inquiry is not necessary, is he prepared to say that he is confident that no one in the government or in any agency or department of the government had any idea that possibly a massive fraud was going on until the fall of 1972?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot speak for everyone at every level of the government, but I am prepared to say that certainly no one in the cabinet knew and, by virtue of my confidence in the public service of Canada, I would venture to say that no one in the public service knew either. That is why I

think we must commend the RCMP for having done such a spendid job in bringing these facts to light.

Some hon. Members: Hear, hear!

DREDGING CONTRACTS—GOVERNMENT VIEW OF NEED FOR PUBLIC INQUIRY RATHER THAN CHARGES UNDER CRIMINAL CODE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question for the Prime Minister. In raising the question I want also to assure the Prime Minister that we in our party want to avoid an inquisitorial approach to this question.

Some hon. Members: Oh, oh!

Mr. Broadbent: It is for that reason that I wish to put the following question to the Prime Minister. In view of the broadness of scope of the Inquiries Act, which is on the statute books of Canada, and the narrowness of scope of the Criminal Code, and in view of the broadness of the connections of the men who have been charged, not only with other companies which have contracts with other government departments but have contracts at senior levels with the governing party in Canada, is it the Prime Minister's view that public confidence in the institution of democratic politics and, more particularly, in the institution of this parliament, can be maintained through an inquiry that will take place exclusively within the framework of the Criminal Code of Canada?

Right Hon. P. E. Trudeau (Prime Minister): The short answer to that is yes, Mr. Speaker. It is true that that confidence must be maintained, and the answer is yes, full stop. I was going on to say that it is true that the Inquiries Act does have a much broader scope and this government has not hesitated to use that scope, for instance, in setting up boards to investigate prices and the Berger commission. That type of action is very much in line with the government's approach when it is useful to shed full light on objective facts. But when we get into the area of possible misbehaviour, and areas which relate to the integrity of individual Canadians, our approach is quite the opposite. I think that the law makers of this country, and indeed of Great Britain, who set the pattern for the criminal justice which we practice, were very conscious of the fact that they were making the scope of the Criminal Code narrow because they wanted the burden of proof not to lie with the defendant but with the state, and that is our approach.

POSSIBLE INVESTIGATION OF COMPANIES CONNECTED WITH DREDGING COMPANIES

Mr. Edward Broadbent (Oshawa-Whitby): My supplementary question is for the Solicitor General. In his answer in the House on Friday to a question put by me, the minister indicated that he did not know at that time if the other companies with which the 14 individuals who have been charged in the recent dredging scandal have been involved, and which are not connected directly with the dredging business but which have other business with the government, were being investigated. He undertook to find out if the other dealings of these companies were being investigated and report back to the House. Is he in a position to do that?

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker, I have checked on that and I must give the answer that I gave before to questions of this nature, namely, that we do not reveal publicly who is being investigated or where the investigation is taking place. That is all I can say.

Mr. Broadbent: I do not know whether, in light of the minister's answer, I can make my question any more precise. Is the minister saying that he will not be able to inform the House of the activities of these 14 individuals who have been charged with other companies which have had contracts and other business dealings with the government in the past? Can he tell us, now that information is out in the open, whether the activities of these other companies doing business with the government have been investigated?

Mr. Allmand: That is right. Twelve companies were charged the other day and 14 individuals. The hon. member has asked me whether other companies, with which these individuals might be associated, are being subject to investigation as well. I am telling him that we do not reveal publicly what individuals or companies are being investigated until charges are laid. It would not be respecting the civil rights of these individuals or companies to reveal in advance when they are subject to investigation because those investigations might bring negative results. On the other hand, if we are really investigating them, we do not want to let them know publicly that we are investigating them.

Some hon. Members: Hear, hear!

PROPOSED INVESTIGATION OF DREDGING CONTRACTS BACK TO 1963

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a final supplementary question on a related matter. Another question asked of the Solicitor General by me last Friday referred to the Auditor General's reports in the 1960's in which it was documented that there were overruns of many millions of dollars in dredging contracts. I asked the minister if those specific contracts and payments which have been undertaken and made in the past were being investigated. Can the minister tell us now what is the answer to that question?

Hon. Warren Allmand (Solicitor General): Yes, I did refer that to the RCMP and they told me that they have no reason to believe at this point that criminal offences were committed in connection with the contracts mentioned. However, they intend to look at the Auditor General's reports once more and report to me in due course.

[*Translation*]

THE CANADIAN ECONOMY

SUGGESTED MEETING BETWEEN PRIME MINISTER AND ORGANIZATIONS ON MEASURES TO FIGHT INFLATION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the right hon. Prime Minister whom I welcome to Parliament upon his return from a trip to Europe.

During his stay in Europe, while he was visiting five or six countries of the European Economic Community to find markets for Canadian trade, the economic situation here did not improve, unemployment and prices continued to rise. Does the Prime Minister intend to meet, in the near future, representatives of Canadian organizations to find a solution, not in Europe, but in Canada, to strengthen our national economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, first of all, I should like to thank the hon. member for his kind words of welcome. May I point out to him that I chose to come back on St. Patrick's Day and that it took an Irishman like to him to welcome me back upon my return.

As to his question, may I reassure the hon. member by telling him that the type of contacts he suggests have already been made in many ways. The Minister of Finance and other ministers have had the opportunity of meeting several representatives of various organizations. The cabinet as such was also given the advice and suggestions of the Chamber of Commerce quite recently; we are to meet the Canada Labour Council very soon.

On a higher level, Mr. Speaker, I would remind the hon. member that the federal government has invited the provincial governments to a federal-provincial conference on the economy to be held right after Easter.

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

As a result of his trip in Europe which we have closely followed, does the government leader feel that the European situation is such that the Canadian people must necessarily be punished on the pretext that this is an international issue and that our country is almost helpless? Does the Prime Minister not think that, without being prejudicial to other countries, Canada can surely manage to act according to its own decisions, irrespective of what is going on in European countries?

Mr. Trudeau: Yes, Mr. Speaker. The government feels that we can and should act to improve our conditions irrespective of what is happening in European countries. This is perhaps why, according to the OECD statistics, the economic performance of Canada in 1974 was the best of all industrialized countries. The countries which I visited did not fail to congratulate us for it.

[Mr. Allmand.]

● (1440)

[*English*]

TRADE

POSSIBILITY OF OBTAINING CONTRACTUAL STATUS WITH EEC—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my supplementary is to the Prime Minister. In view of the fact that the Prime Minister obviously did not seem to believe that his trip to Europe—lasting two and a half weeks and including visits to a number of countries—or the results obtained were of sufficient importance to report to the House, which surprised me greatly, I would ask him whether, having visited these countries, he has any reason for believing that Canada will be awarded contractual status with the EEC in the reasonably near future. If he does, what are the reasons for so believing, and when does he expect to be in a position to make such an announcement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not sure the hon. member is correct in indicating a lack of success on our part. Perhaps an indication would be better drawn from the fact that we are forty five minutes into the question period, and this question, along with that of the hon. member for Témiscamingue, is the first which has been asked.

Some hon. Members: Hear, hear!

Mr. Trudeau: In regard to the contractual link, Mr. Speaker, I would report that the countries which I visited all indicated that they supported the Canadian objective of establishing a contractual link with the Common Market. They gave support to the negotiations which are going on and the exchanges which are going on between the Community and Canada, one meeting already having taken place about a month ago in Ottawa and two more being scheduled before the report is made to the Council of Ministers.

Mr. Hees: As the Prime Minister did not give any reasons for having confidence or for believing that we would be awarded a contractual link, and as he did not give any indication when he expected that such a link could be announced, could he at least explain to us—he seems to have had difficulty explaining to the countries he visited—just how such a contractual link would work in practice? Very briefly could he tell the country?

Mr. Speaker: Order, please. Even if the Prime Minister were willing to make that explanation, surely this period is not the time to make it.

Mr. Hees: A final supplementary, Mr. Speaker. In view of the fact that after a trip lasting 17 or 18 days visiting six countries the Prime Minister gives us no information whatsoever regarding his talks with these countries about the possibility of obtaining this contractual link, could the Prime Minister at least take the country into his confidence and tell us how the skiing was?

LABOUR CONDITIONS

STRIKES AT VANCOUVER—DATE OF RESUMPTION OF GRAIN SHIPMENTS—DEADLINE FOR NEGOTIATIONS BEFORE GOVERNMENT ACTION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Prime Minister. In view of the apparent success achieved by the mediator, Mr. Kelly, in reaching accord in negotiations with employers and longshoremen in B.C.—

Mr. Trudeau: Would you start again?

Mr. Fraser: Mr. Speaker, I think the right hon. gentleman has not been able to hear. In view of the apparent success achieved by the mediator, Mr. Kelly, in reaching accord in negotiations with employers and longshoremen in B.C., and in view of cautious optimism being expressed today with respect to the public service dispute, can the Prime Minister advise the House when the government expects grain movements to be resumed, and has the government put any deadline on the length of the continued negotiations before taking action?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

DATE OF MINISTER'S RETURN TO DUTY—POSSIBILITY OF APPOINTING FULL TIME MINISTER

Mr. John A. Fraser (Vancouver South): Mr. Speaker, can the Prime Minister advise when the House and the country can expect the government to ensure that we have the services of a full time labour minister and whether and how soon the present Minister of Labour will be resuming his responsibilities?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have an Acting Minister of Labour who has done the job very well, just as we have had an Acting Prime Minister.

Mr. Fraser: Mr. Speaker, it may not make any difference, but surely the national interest and the principles of responsible government demand an end to this game of hide and seek. If the present minister cannot return, will the Prime Minister assure the country that a full time minister will be appointed, and when?

Mr. Trudeau: The question in its form is hypothetical, Mr. Speaker, but the answer would be yes.

Mr. Speaker: I will recognize the hon. member for Edmonton-Strathcona followed by the hon. member for Qu'Appelle-Moose Mountain.

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EXTERNAL AFFAIRS

GOVERNMENT ACTION TO RESTRUCTURE RELATIONS WITH DEVELOPING COUNTRIES

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Prime Minister. What steps is the Prime Minister taking to relate his speech in London last week on the need for restructuring relations with the developing nations with his instructions to the interdepartmental committee on economic relations with developing countries so that a program of action by Canada is obtained?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member seems to indicate his knowledge of that interdepartmental committee. This is precisely the subject it is working at: adding to the many initiatives this government has taken, including the stance of the Secretary of State for External Affairs at the Commonwealth Food Conference in London last week, to ensure that greater justice is brought to the developing nations.

PROPOSED ESTABLISHMENT OF SUBCOMMITTEE ON INTERNATIONAL DEVELOPMENT—GOVERNMENT POSITION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I would like to ask the Prime Minister a further question. In order for members of parliament to assist in the development of the Canadian position at the special session on development at the United Nations General Assembly next September, would the Prime Minister provide a reference to the Standing Committee on External Affairs and National Defence so that a subcommittee on international development could be set up to deal with these matters which are vital to the security and stability of the world?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am told that that can be done now on the authority which the House has. I certainly would welcome any contribution to this very vital area by members of all parties, and if the hon. member or members of his party have concrete suggestions to make, I would very sincerely welcome them. I think this is an area where Canada must take action.

* * *

LABOUR CONDITIONS

LONGSHOREMEN'S STRIKE AT VANCOUVER—DATE OF END OF FORMAL NEGOTIATIONS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is related to the question regarding the longshoremen's strike on the west coast which ended this morning. It is addressed to the minister responsible for the Canadian Wheat Board. Will the minister inform the House when the formal contract between the foremen's union and their employers ends, so that we may know at what time to expect the next strike.

Mr. Speaker: Order, please.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the minister was prepared to answer.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I was prepared to say that I think it would be unfortunate to comment along those lines in regard to negotiations going on at the present time.

Oral Questions

PUBLIC BUILDINGS

HANGAR AT HAMILTON AIRPORT—POSSIBILITY OF RENTAL ARRANGEMENTS FOR CANADIAN WARPLANE HERITAGE ASSOCIATION

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Public Works. I wish to make an inquiry on behalf of the Canadian Warplane Heritage Association. This organization has done an outstanding job in the restoration of Canadian warplanes.

Some hon. Members: Order, order.

Mr. Speaker: Order, please. If the hon. member wishes to make that kind of inquiry, he ought to do it directly rather than make an expose on the association.

Mr. Alexander: Ask the question.

Mr. MacFarlane: Is there any reason why they would have to purchase the hangar which they operate at the Hamilton airport? Are there other arrangements whereby they could rent that hangar, or must they vacate it?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, the policy of the Department of Public Works is to make available for community purposes real estate property which is no longer required by the government service. In this case, while we would not wish to alienate the land, I think arrangements for its use by the community can be made.

* * *

● (1450)

SOCIAL SECURITY

GOVERNMENT ACTION TO RELIEVE POVERTY IN CANADA AS WELL AS OTHER PARTS OF THE WORLD

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is also addressed to the Prime Minister and follows upon the question of the hon. member for Edmonton-Strathcona. The Prime Minister, if I may say so, spoke eloquently in London about the need for a comprehensive restructuring program of fiscal and monetary trade policies in order to help relieve the problems of poverty in the developing world. Has the Prime Minister also noticed a report of the National Council of Welfare on the welfare of children in Canada to the effect that 1.66 million children under 16 years old in Canada live under the stigma of poverty. I ask the Prime Minister if he will make a statement in this House setting out, perhaps not in detail but in a general way, what the government proposes to do to relieve poverty in the world at large and poverty in this country in particular.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government made its over-all approach to the problem of welfare known to the country in the paper published by my colleague, the Minister of National Health and Welfare, two years ago. The hon. member knows that this approach is being discussed with every provincial government, that progress has already been

[Mr. Lang.]

made and steps of a legislative nature taken. Quite frankly, the hon. member surprises me if he is suggesting that, because we are concerned about the problem of poverty in the world, there is some reason for me, in a sense, to detract from that problem by making a statement here on another question. The hon. member seems to be trying—

An hon. Member: Practice what you preach.

Mr. Trudeau: We practice what we preach, Mr. Speaker. I, personally, believe that the approach illustrated by the interest of the Conservative party to these problems of the world concern is more progressive than that indicated by the hon. member.

Mr. Brewin: A supplementary question, Mr. Speaker. The Prime Minister has put entirely false words in my mouth.

Some hon. Members: Oh, oh!

Mr. Brewin: I have never suggested for a single moment that we should not be concerned about the problems of poverty throughout the world, and the Prime Minister knows it. His jibe at me is unworthy of the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Brewin: If the Prime Minister says that the government—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hees: Stick in there, Andy!

ALLEGED REQUEST OF PROVINCES FOR ACTION ON GUARANTEED ANNUAL INCOME—GOVERNMENT POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question for the Prime Minister, if I may be permitted to ask it, is this: if the government is so concerned about the poverty of people in Canada, particularly children, how is it that the request of the provincial welfare ministers to progress with the guaranteed income policy, which would affect and relieve poverty, apparently has been laid aside by this government.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if I may comment on the hon. member's comment, the preamble to his question was indeed unworthy of the interest he has shown in the past in this and other questions, as he prefaced the question on poverty in Canada with a question on poverty in the world.

[*Translation*]

TRADE

INQUIRY WHETHER IMPORTATION OF UNITED STATES POULTRY AUTHORIZED BY GOVERNMENT

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

On March 3, 1975, I asked the following question:

Since the Americans export into Canada, live chickens ready to be slaughtered, can the minister tell the House whether Canadian importers must apply for permits from his department to import that live poultry?

The minister answered then:

... I will be pleased to make inquiries and let the hon. member know the answer.

Could he please us today and give us this answer, Mr. Speaker?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think there have been discussions between representatives of the two governments involved, and I believe this matter is close to solution. I cannot tell the hon. member whether it will be necessary to obtain import permits at the present time.

* * *

THE CANADIAN ECONOMY

INFLATION AND UNEMPLOYMENT—REQUEST FOR STATEMENT ON MEASURES TO COMBAT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. In view of the minister's many comments that he is now evaluating many domestic and international economic factors, has the minister set any date beyond which he will not go in his review without making a statement to the House on the state of the economy and, in particular, a statement on whether he is satisfied that the November 18 budgetary provisions are all that are needed to deal with our high unemployment and inflation rates. I ask this, Mr. Speaker, as there are now only 12 parliamentary days left before the Minister of Finance plans a trip abroad.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, no. We had a very thorough discussion of the economy on Thursday, thanks to the motion put forward by the NDP.

Mr. Stevens: A supplementary question, Mr. Speaker. Considering the minister's answer, and as he is reviewing all of these economic factors, can he tell the House if the government has any budgetary contingency plan available which could be produced quickly if economic trends do not improve.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, we are reviewing matters on a daily basis.

ALLEGED ARAB BOYCOTT OF CERTAIN CANADIAN COMPANIES—GOVERNMENT ACTION

Mr. Sinclair Stevens (York-Simcoe): May I address a final supplementary question to the Minister of Finance in connection with his anticipated trip to the Middle East. Is the minister aware that an Arab boycott list contains the names of some 150 Canadian companies with which Arab nations may not deal? If so, does he intend to take up this matter with certain Arab countries which he will visit, in order to secure agreement for the lifting of the boycott?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have already dealt fully with that question in response to a query put forward by the hon. member for Windsor West.

* * *

NATIONAL DEFENCE

AIR COMMAND HEADQUARTERS—INQUIRY AS TO POSSIBLE STUDY PRIOR TO DECISION TO ESTABLISH

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of National Defence. As the minister announced outside the House on January 17 that he was setting up an Air Command Headquarters, could the minister inform the House if a study similar to the Land Force Use Study was done before this major decision was announced.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, no, there was no study equivalent to the Land Force study, but the announcement was made following the recommendation of the Chief of Staff.

* * *

INCOME TAX

ALLEGED TAX EVASION BY CERTAIN DREDGING COMPANIES—INQUIRY AS TO INVESTIGATION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of National Revenue. In light of the widespread nature of alleged tax evasion charges against persons and corporations involved in the Hamilton Harbour dredging scandal, will the minister inform the House whether he has caused his department to become active in investigating this aspect of the matter. If so, how is it being done, and for how long has it been going on.

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, there is an active special investigation branch in the Department of National Revenue. Because of the confidentiality sections of the Income Tax Act, it is not appropriate to reveal who is to be investigated. There is no better way to tip off those being investigated than to reveal the nature of an investigation. As the hon. member knows, two charges have been laid against individuals and six companies relating to tax evasion in this matter. If other charges are to be laid, they will be laid in due course.

Mr. MacKay: A supplementary question, Mr. Speaker. I thank the minister for his answer. I gather that the minister's department is conducting an investigation. In its investigations, how far back in time will the department delve in looking into this particular aspect?

Mr. Basford: Mr. Speaker, the investigation has been carried out with the co-operation of the RCMP on any information which we have which warrants an investigation under the Income Tax Act.

* * *

UNEMPLOYMENT INSURANCE COMMISSION

REQUEST FOR TABLING OF REPORT BY YORK ADVERTISING OF OTTAWA

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, before addressing my question to the Minister of Manpower and Immigration may I extend to you, and, indeed, to all members of the House, both to those who enjoy an Irish heritage and those who wish they did, a happy St. Patrick's Day.

Some hon. Members: Hear, hear!

Mr. O'Sullivan: Mr. Speaker, I hope to have some Irish luck with the Minister of Manpower and Immigration. On February 19 I asked the minister to table a report submitted by York Advertising Limited of Ottawa which had cost the Canadian taxpayer $3,500. The report concerned the Unemployment Insurance Commission and alleged that the UIC has been considered as a dumping ground for incompetents. The minister noted my representation. In view of widespread concern, has the minister decided to table this report?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have not fully examined that matter. I think I have had some reports on it, but I will take another look at it.

* * *

● (1500)

AIR TRANSPORT

CRASH OF DC3 AT RIMOUSKI—REPORT ALLEGING NON-COMPLIANCE WITH REGULATIONS—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Transport with regard to an aircraft accident involving a DC3 aircraft which took place at Rimouski, Quebec in May, 1973. The report has just been released. In this report, it states, and I quote:

> The carrier did not comply with the Ministry of Transport standards in pilot training, dispatch, flight watch,—

It further states the Ministry of Transport had been aware of the carrier's non-compliance for some time but had not effectively enforced their rules and regulations. One of the main problems seemed to be that the technical documents aboard this aircraft were all in French and the crew could only speak English. Will the minister inform the House what he has done to improve inspection procedures since this air fatality?

[Mr. Basford.]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is one case we are looking at in depth in order to determine what deficiency there was in the inquiry. What happened in Rimouski is surely not acceptable to the government. I agree with the hon. member on this.

* * *

TRANSPORT

HAMILTON DREDGING CONTRACTS—RELATIONSHIP BETWEEN DATE OF DISCUSSION BETWEEN PRIME MINISTER AND MINISTER OF TRANSPORT AND REQUEST FOR INVESTIGATION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I have a supplementary to an earlier question. The Prime Minister indicated he had talked with the Minister of Transport to see how the investigation with regard to dredging problems was proceeding. Can the Prime Minister inform the House whether it was shortly after his talk with the Minister of Transport that the minister wrote and asked for an investigation by the RCMP?

Right Hon. P. E. Trudeau (Prime Minister): I could not say exactly, Mr. Speaker. Certainly the first time the Minister of Transport talked to me about his concerns regarding the harbour situation in Hamilton goes back to the period after the 1972 election, probably in December, January or thereabouts.

* * *

AGRICULTURE

REQUEST FOR INCREASED FUNDS FOR PROJECT TO GROW PEANUTS ON UNUSED LAND OF TOBACCO FARMS

Mr. Frank Maine (Wellington): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact that the jointly-funded project of the Canadian Department of Agriculture, industry, and the University of Guelph to grow peanuts on the unused lands of tobacco farms in southwestern Ontario is in imminent jeopardy of collapse because of Ontario's squeeze on university funding, will the minister increase the federal contribution from the new crop development board to this project and thereby help those farmers who are experiencing decreased incomes from tobacco?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all I can say is that we received the submission from the University of Guelph. I made a submission on what I think should be done about it because I feel this crop has tremendous potential in certain parts of Canada where its crop can be produced. This product is highly nutritional and contains protein, so, I think it has some potential in Canada.

FISHERIES

TUNA—DATE OF ANNOUNCEMENT OF REGULATIONS FOR GULF OF ST. LAWRENCE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to direct a question to the Minister of State (Fisheries). Is the minister yet in the position to announce tuna fishing regulations for the coming season in the Gulf of St. Lawrence? As the minister knows, this is becoming very urgent for those who charter fishing vessels for this kind of sports fishing. They need to know immediately what the decision will be.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I am happy to inform the hon. member that this very morning I approved the regulations, with one exception. That is the problem of supervision of one area. We are trying to introduce flexibility in the regulations in answer to the representations of the fishermen and charter boat operators. I think this will be very satisfactory.

* * *

FOREIGN INVESTMENT REVIEW ACT

ALLEGED ASSURANCE GIVEN GERMAN INDUSTRIALISTS BY PRIME MINISTER CONCERNING PROVISIONS OF ACT—DATE OF PROCLAMATION OF PART II

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Prime Minister relating to his trip to Europe. The Prime Minister is reported to have assured German industrialists they should not be concerned about the provisions of the Foreign Investment Review Act when investing in this country. Did the Prime Minister give that assurance to the industrialists and, if so, why?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I gave them the assurance that the law and the policy of the government would be applied. The general principle, as the hon. member knows, is that foreign investments are indeed encouraged in Canada, providing they can be to the demonstrable benefit of Canada. That is our general approach to foreign investment in Canada.

Mr. Nystrom: Will the Prime Minister advise when the government will be proclaiming Part II of the act, the part dealing with new investment?

Mr. Trudeau: That will be announced in due course, Mr. Speaker.

* * *

TRANSPORT

HAMILTON DREDGING CONTRACTS—REQUEST FOR TABLING OF LETTER FROM MR. CAMPBELL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Solicitor General. Perhaps it might be more properly directed to the Prime Minister. It is with reference to a letter of complaint made some time ago by Mr. Campbell and apparently received by the former Solicitor General, now the Minister of Supply and

Services, through a Mr. Cameron. Is the Prime Minister prepared to now table that correspondence so that it will coincide with the statement we will hear tonight in committee?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know why the question is addressed to me. I have no such correspondence.

Mr. Woolliams: Would the Solicitor General be prepared to now table that correspondence?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker, not now. The letter from Mr. Campbell was a confidential letter to the former Solicitor General. I will deal with all that this evening. We will put all the facts on record.

Mr. Woolliams: May I ask the Solicitor General whether the reply by Mr. Cameron, the executive assistant to the former Solicitor General, was also confidential?

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

WEIGHTS AND MEASURES

MOTION TO APPROVE PROGRAM OF GUIDELINE DATES FOR METRIC CONVERSION

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved:

That the ..... House of Commons approve the government's program of guideline dates for metric conversion;

And that a message be sent to the Senate informing Their Honours that this House has adopted a resolution approving a program of guideline dates for metric conversion, and requesting Their Honours to unite with this House in the approval of the same by filling up the blanks in the resolution with the words "Senate and".

He said: Mr. Speaker, I am speaking today on a matter that is fundamental to the long-term health and prosperity of the Canadian economy—the metric system of weights and measures. It is my pleasure to introduce to parliament today a joint resolution for a program of guideline dates for metric conversion in Canada. Some members may recall that I mentioned on March 11 last year that the government intended to introduce such a resolution.

In taking this step, the government wants to emphasize the importance of reaching a national consensus on the objective of a metric Canada by the decade of the 1980s. When my predecessor tabled in this House the white paper on metric conversion in January of 1970, a little over five years ago, it received the support of all party leaders. The federal government then launched the national metric conversion program through establishment by order in council in June of 1971 of the Metric Commission. Much has been accomplished and is being accomplished by this commission. Commission members have consulted and collaborated with national industry associations, consum-

er groups, unions, professional bodies and provincial and federal government departments.

They have begun a process of continuing investigation, planning, scheduling and implementation. Some 200 organizations in all parts of Canada are taking part in this metric conversion program which stems from the first meeting of the Metric Commission in January of 1972. The 18 metric commissioners appointed by the cabinet have enlisted nearly 1,000 persons from all sectors of the Canadian economy. These people have volunteered to serve on steering and sector committees which report to the Metric Commission. They are contributing their expert knowledge and professional skills to this important program. Their work in the investigation phase is now leading to integrated plans to transform their sectors from a measurement system which has now been abandoned by all but a very few nations of the world to one which is universally recognized, the International System of Units, SI.

The program of guideline dates which I will describe has the unanimous support of this nationwide committee structure and of the governments of all the provinces. Canada is joining the other members of the English-speaking world now converting and other major trading nations which are already metric in the use of this common and convenient measuring system.

● (1510)

Our most important trading partner, the United States, is also moving in this direction. Although in the last Congress metric legislation in the House of Representatives was set aside on a procedural question, Congress did authorize expenditure of $10 million a year for four years for metric education in schools. In this session Congress specifically recognized the increasing use of metric measures in the United States and the fact that these measures would inevitably become the dominant system of weights and measures in that country.

In the present Congress bills to implement the recommendation of the U.S. metric report have already been submitted. A bill sponsored by the administration and designed to appease objections raised by labour and small business is ready to be put forward. There is reasonable confidence that such a bill can be passed before adjournment in August of the present session of Congress. In the meantime, many major companies in the United States have embarked on programs for metric conversion. These programs are going forward without reference to action, or lack of action, in Congress.

To co-ordinate this development in industry, the United States has established the American National Metric Council. This council has more than 1,300 subscribers drawn from industries, association and individuals and expects to double its membership this year. A widespread committee structure has been established and there is frequent communication at all levels between the Metric Commission organization here in Canada and the American National Metric Council. Discussions have also been held with executive departments and agencies of the U.S. federal government. They are anxious to know of the Canadian plans in their areas of responsibility. Every effort will be made to co-ordinate work between the two countries so as to obtain the greatest benefits for the Canadian program.

[Mr. Gillespie.]

To develop an economy in which the use of the International System of Units is normal procedure, the Metric Commission has recommended, and the government has approved, a four phase program. These phases are: first, investigation—to determine what needs to be done; second, planning—to identify the sequence of activities and the relationships among things to be accomplished; third, scheduling—to assign specific target dates to planned events and to co-ordinate these between and among sectors; fourth, implementation—during which the actions to be performed are carried out as planned and according to schedule.

The following guideline dates for metric conversion in Canada which I propose for the approval of the House today correspond to the four major phases I have just mentioned. The investigation phase is now essentially completed. The remaining program dates are therefore proposed as follows: the planning phase, which began in 1973, is to extend through this year; the scheduling phase is to be completed in 1976; the implementation phase, which we expect to become significant this year, will reach a peak of activity by the years 1977 and 1978—it should be substantially completed by the end of 1980, at which time metric measures will be used by all Canadians for all normal commercial and legal purposes.

We shall be organizing three pilot projects in retail store conversion. The cities of Sherbrooke, Quebec, Peterborough, Ontario, and Kamloops, British Columbia, will pioneer metric, probably in 1978. All retail store scales will be changed to metric in those cities at that time. Meanwhile, many products will appear on the shelves to be sold in metric quantities. I repeat that the guideline dates which I have just mentioned are the result of nationwide consultation with governments, industry, consumers and labour. With the approval of hon. members, they will constitute the basic framework for a national metric conversion program.

Many letters urging the adoption of this program have been received from national associations. The Canadian Manufacturers' Association, for instance, writes:

> The association believes that the publication of these guidelines will be a useful encouragement to business to proceed with the planning and preparation needed for the proper integration of the conversion process.

From the Canadian Chamber of Commerce we hear:

> The objective of completing substantially the conversion program by 1980 is a worth-while goal, considering the already wide international usage of the metric system and the pace of development of conversion in the United States.

The Canadian Federation of Retail Grocers writes:

> We believe the commission's approach is a reasonable one and deserves all the support we can give it.

Both the Canadian Nurses' Association and the Association of Nurses of the province of Quebec have given their unqualified support to the guideline dates program, and the Canadian Office Products Association "finds the dates as outlined acceptable to all aspects of our industry." The Canada Grains Council has made public its scheme for the grains trade, and this conforms fully with the guideline dates I am proposing. The interests of the Canadian con-

sumer are being well represented by the Consumers Association of Canada which is taking an active interest in conversion plans. The association's influence has already resulted in some products now appearing in metric-size packaging.

We expect that consumers will gradually become accustomed to metric measures as products and services are increasingly made available in metric units. Already, weather reports on radio give temperatures in degrees Celsius, and from April of this year temperatures will be given in Celsius only. Rainfall in millimetres and snow in centimetres will follow, hopefully in another season.

The views I have quoted represent only a small sample of the support the metric system has received and is receiving. There is every indication that the vast majority of organizations in Canadian society are committed to the eventual use of the metric system and support the proposed program of guideline dates. Many Canadian firms have already begun investigating and planning for metric conversion. They are now awaiting parliamentary approval of these dates before synchronizing their schedules with others. In the public sector, federal government department and all provincial governments have created interdepartmental committees to co-ordinate metric conversion.

It is of the utmost importance that all Canadians move in concert to maintain the momentum of the four-phase program. To this end, an information program is now under way to explain the changes contemplated and the manner in which they will affect each one of us. During the coming year, increasing numbers of packaged goods will carry declarations of content in millilitres and litres, in grams and kilograms. By March, 1976, all pre-packaged goods will carry metric markings and many will be packed in metric sizes. Hon. members have already seen some road signs giving distances in kilometres. By September of 1977 it is expected that all across Canada we shall see road signs with distances in kilometers and permitted speeds in kilometres per hour. Already this year the speedometers on many automobiles are marked in kilometers per hour as well as the familiar miles per hour.

Canadians in the labour force will also be made aware of changes initiated in industry, commerce and public services. Suitable training programs are helping them to appreciate the simplicity and convenience of the metric system. In many schools the metric system is being taught at the elementary level as the basic system of measurement. Thus, young Canadians now at elementary schools will, on graduation from their secondary or university studies, be living and working with all other Canadians in a metric world.

● (1520)

Hon. members may be aware that a number of companies have already converted or are well along in the conversion process. For example, the Price Pulp and Paper Company of Newfoundland has moved to the production of newsprint on a metric basis. This mill produces exclusively for offshore markets and it has switched its whole operation, including billing and order forms, to metric. They experienced no significant problem in mill conversion.

The Steel Company of Canada has gone metric, too, in its new pipe mill at Welland, Ontario. The machinery of this mill is entirely metric and produces welded pipe to both inch-pound and metric specifications. The new steelmaking facilities being developed on the shores of Lake Erie at Nanticoke are being designed exclusively in metric terms and will be an entirely metric operation. At Varennes, Quebec, ASEA Limited, the big Swedish producer of heavy electrical equipment, had been producing entirely metric products, using local labour, for the past year. The working force was trained by the company and they have had no difficulty in maintaining efficient operation and production.

Metric conversion is not unique to Canada; it is nothing new. Canada will be drawing on the experience of Great Britain, South Africa and Australia in the conversion process. In Great Britain, for example, many large industries have converted. Experience has been generally favourable. As a matter of fact, in nearly all cases costs of conversion were very susbtantially lower than original estimates and difficulties in training the work force were minimal. Many British industries have achieved very substantial economies in production by using the opportunity of metric conversion to effect a rationalization and simplication of their operations. Some difficulties are currently being experienced in Britain due to delays in carrying through the program at the level of the ultimate consumer. This has resulted in a need to operate for an extended period in both systems.

The lack of a clear commitment in consumer related aspects of the U.K. program has probably been the major inhibiting factor. But these difficulties have been recognized by responsible officials in the United Kingdom and they are directing attention to ensuring that enabling legislation is passed in the consumer goods sector and that there is a broad-based commitment to the national program in both the private and public sectors.

In South Africa, the experience has been good. After a seven-year program of conversion, no significant difficulties have been experienced. Industries report that drawing office staffs, once they had worked in metric for a few weeks, would not go back to working in Imperial units. This is because of the greater simplicity of working in metric units and the relative freedom from error.

Australia is about two years ahead of Canada in conversion. Implementation is now in full swing. Much of agriculture has already been converted without any adverse reaction. All transport tariffs and customs and excise tariffs were placed on a metric basis last year. Some 50 per cent of grocery products on the shelves of Australian stores are now in metric-size packages. This has proved entirely acceptable to the consuming public. Speed limits and road distance signs were converted to metric units in May of 1973. The conversion was accomplished without a hitch.

Here in Canada, to draw attention to metric conversion the Metric Commission had developed a distinctive logo. It is promoting the use of this logo to identify Canadian products in metric size or design as well as texts or announcements making correct use of metric units and advertisements of Canadian metric products. During the past year the commission has approved a growing number

of applications from interests wishing to use this logo to identify their metric products. The commission expects use of the logo will become widespread and hopes to promote in the general public an immediate recognition of it as an indicator of metric conversion in Canada.

Undoubtedly metric conversion will involve costs. However, these costs will be spread over a period of time as industries proceed to implementation of their plans. As I have said, implementation is not expected to reach its peak until 1977-78 and will be spread over a period of years. Concern has also been expressed that the cost of conversion might impose an undue hardship on some small businesses. In view of this concern, the cabinet has approved a program of loans and loan guarantees to be available to small businesses, to be called the small business metric conversion assistance program. These loans would cover specific eligible costs of metric conversion by small businesses. In this context, small business will include farming and fishing enterprises. Such loan assistance would be available to businesses facing special financing difficulties resulting from metric conversion when such businesses were unable to obtain financing from commercial lending institutions. I expect the federal Business Development Bank to play the main role in this assistance plan for small enterprises.

My department, working in co-operation with the Treasury Board and the Department of Finance, is developing detailed criteria and administrative procedures for this program. However, we must keep in mind that costs of conversion are one-time costs while the benefits of conversion are continuing. They will be apparent in increased trade opportunities and in efficiencies which will result from standardization and rationalization. I cannot say too strongly that any delay in the program of metric conversion will only postpone realization of benefits and increase costs. Every instrument or device now being designed to Imperial units is a further liability for eventual cost of conversion.

What about information on this program, Mr. Speaker? Where can the ordinary Canadian find out what is going to happen? The information is being and will continue to be disseminated through the ten regional offices of my department and through the regional offices of the Department of Consumer and Corporate Affairs. Furthermore, metric information will be disseminated by the federal Business Development Bank when it starts operation. We are also receiving excellent co-operation from the provinces and each province will have a metric co-ordinator.

I have been assured that these offices can cope with present and anticipated inquiries concerning metric conversion. The commission has produced many booklets and films. To help tell the metric story, there is also a speaker's bureau and more than 50 seminars have already been held in cities and centres across Canada. A series of seminars called "Metric and You" is currently being conducted by the Canadian Chamber of Commerce and the Metric Commission in co-operation with local chambers of commerce and provincial chambers. Hon. members will recall that when the white paper on metric conversion was tabled in this House in January of 1970 there was unanimous support for the principle that metric conversion is not only inevitable but in the national interest.

The legal basis for using the metric or decimal system was first introduced in the Weights and Measures Act of 1873. This was reaffirmed and brought up to date with the incorporation of SI—the simplest and most modern version of the metric system—in the Weights and Measures Act passed by this House in April of 1971, 98 years later.

Against this background, I ask all hon. members for their approval of the guideline dates which I have outlined. This will ensure that Canada keeps pace with an already largely metric world. This program is the subject of the resolution that I now place before the House. With your permission, Mr. Speaker, under Standing Order 41(2) I should like to table, in both official languages, a statement entitled "Program of guideline dates for metric conversion".

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. So far as I can see, what the minister has in his hand is a very short document. I wonder whether it should not be printed as an appendix to *Hansard* so it will be there for people to see.

• (1530)

Mr. Deputy Speaker: Hon. members have heard the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles). Is it agreed that the document referred to be made an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's Note: For above-mentioned document, see appendix*]

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I am pleased to lead off this debate for the official opposition and put forth our position in the clearest possible terms on metric conversion in Canada. The motion presented on the order paper in the name of the Minister of Industry, Trade and Commerce (Mr. Gillespie) simply states that the House of Commons approves the government's program of guideline dates for metric conversion, and there follows the usual reference to the other place. The minister has set forth the schedule and has asked us to concur.

I think I should say at the outset that we supported metric conversion when it was introduced by order in council and the white paper, and that is our position today: we still support it, but we have reservations and I hope to place them on the record during this debate. I hope the minister will take note of them and see that something specific is done about them.

Since order in council PC-1971-1145 of June 10, 1971, was passed we have been approving sums of money in the estimates for the metric conversion fund and by the end of this fiscal year the commission will have spent over $7 million. We must ask ourselves what value we have received for the $7 million that will be spent by the end of this fiscal year.

Let me say again that we in the official opposition support the principle of metric conversion. The hon. member for Peace River (Mr. Baldwin) stated our position which appears in *Hansard* of July 16, 1970, at page 2470. He gave our support to the principle of metric conversion. The hon. member for Peace River also mentioned the fact that

the hon. member for Malpeque (Mr. MacLean) had in 1970 put forward a private member's bill calling for a metric system inquiry commission. He also stated that the right hon. member for Prince Albert (Mr. Diefenbaker), when he was prime minister, had his ministers undertake studies in this field.

I have taken this opportunity to record again the fact that the official opposition has had a keen interest in the metric system for a number of years. We supported the principle in 1970 and we support the principle of metric conversion today. Having said that, we do not intend to let the matter pass without recording in this House our dissatisfaction with the progress made by the Metric Commission. We want to bring into perspective the position of the Metric Commission today, in 1975, and let the minister know in the strongest possible terms that we are appalled at the lack of progress being made.

I stated that by the end of this fiscal year the Metric Commission will have spent over $7 million. Since 1970 it has produced one annual report and has promised a second report by late 1975. That is atrocious when we consider the amount of money the commission is spending. The commission has not appeared before a standing committee of this House; it has not justified its program, its progress or its expenditures. I know that some members opposite will say we have an opportunity during the consideration of estimates to examine the work of the Metric Commission, but that is a lot of nonsense. We all know how the standing committees are structured and that we have little time under the rules of the House to examine in depth the Metric Commission's program.

The first time I met anyone from the Metric Commission was at a dinner party in the parliamentary dining-room, I think in 1973. Members of the commission brought along a few slides and a projector to put forward a public relations package. One of the slides they put on the screen was a map of Canada which showed that the capital of Manitoba was Edmonton and the capital of Alberta was Winnipeg. Can you imagine anyone coming before a group of parliamentarians and showing a map of Canada that contained such errors? It was incredible, but I think it is also typical of the way the commission operates.

Because of our close ties with the United States, we feel we must phase in our metric conversion with theirs. The minister has said there is a measure of co-operation in respect of our metric commission and that of the United States, but I do not think this co-operation is as strong as it might be. From our investigations, United States industry is progressing much faster than Canadian industry in spite of the fact that no legislation is in place at this moment in the United States.

There are problems in respect of road signs and odometers in automobiles to be worked out, to which the minister made reference in his remarks. There is little co-ordination between the provinces and the federal government, in spite of what the minister had to say. Another problem which we have can be related to the considerable amount of across the border travel that takes place. It is imperative, in our view, that we work closely with the United States government and individual state authorities, many of which have metric programs under way, in order to ensure the least possible confusion in the conversion of road signs.

I now want to say a few words about the Metric Commission and its operation. We have spoken to numerous people involved with the Metric Commission, and the general impression we get is that the commission is engaged, basically, in a public relations job. Apparently there is much indecision, lack of leadership and, generally speaking, poor morale. We note that the commission has had considerable staff turnover at all levels. It is our belief that the commission has serious internal problems which stem generally from lack of direction and indecision.

Let us consider the question of conversion, in respect of weather reporting, from Fahrenheit to Celsius. I understand this program was ready to go last summer and a booklet was supposed to have been prepared that should have found its way into the school system last September in order to take advantage of the splash-over effect from students to parents. The date of April 1 was set for the changeover, but on January 13 nothing had really been done: the program was still sitting on the director's desk and the opportunity of using the school system was lost. We understand there was then an attempt to put off the April 1 conversion date and to substitute a later date.

As I say, this is an example of the indecision and lack of direction that permeates the Metric Commission. Many of the commissioners appointed were political appointments, and the director of the Metric Commission suffers from a political appointment without political support. When was the last time hon. members heard any minister of the Crown mention anything about metric conversion? Have we heard any minister mention anything about it? Have we read any ministers' speeches which have contained anything about metric conversion? To my knowledge, the Minister of Industry, Trade and Commerce has never made any mention of metric conversion in any of his speeches. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) had two opportunities recently, when he spoke to the Consumers Association of Canada and to the Canadian Construction Association, to mention metric conversion; but not a word was said.

The Consumers Association of Canada, which the minister says is co-operating with the commission, has registered some very serious concerns about metric conversion, but as I understand it the association has received no assurance that its views will be heeded. Let me read a few comments from a letter sent by the association to the minister on January 7, 1975. The association writes:

> Participants from our association advise me that at the present time there is a substantial degree of dissatisfaction, and poor morale, within all the sectors of the commission's work in which programs are supposed to be developed for the information and assistance of such final users. It would appear, accordingly, that an early decision on your part to request a comprehensive review of procedures and programs in these areas would be advisable, and would certainly be well received by our own participants, and would, as I am advised, also be well received and receive the co-operation of other participants in these areas.

● (1540)

The letter goes on to state that the Consumers Association of Canada would be prepared to meet with the minister or his officials at any time to discuss these issues and to provide specific examples of policies and procedures

which concern them at the moment. This letter, in essence, is saying that the Consumers Association in fact would just as soon pull out of the program, but does not suggest doing that and wishes to make a contribution to it. This is a very interesting letter. So far as I am aware, this association has had no reply from the minister about its concerns.

We have been told that the Department of Consumer and Corporate Affairs will monitor the packaging industry and retail stores to ensure that the consumer is not the loser. We have had the experience of the British metric conversion where there was evidence that the packaging and retail trades took the opportunity during the conversion to adjust prices upward while at the same time reducing, in some instances, the quantity.

We are not convinced that the Department of Consumer and Corporate Affairs will be in any way effective in this matter. We have received no reports in this House, so far as I am aware, that there has been any monitoring in respect of other government programs. On several occasions members have put questions to the ministers, the reply has been that the Department of Consumer and Corporate Affairs will monitor the programs; however, we have not heard anything about this monitoring. I wonder whether it is a dodge used by the government to assure consumers that Big Brother is looking after their best interests.

I assure you, Mr. Speaker, that the members of the official opposition will very carefully watch this monitoring. We want to be sure that the experience of Britain is not duplicated in this country. We should not be proceeding by order in council or by resolution; we should be proceeding by means of a bill.

Some hon. Members: Hear, hear!

Mr. Kempling: We should have a bill which sets out all the details of the program. The guidelines and the program should be laid down so that we may proceed in an orderly fashion. Instead, we have a loosely worded order in council which allows the Metric Commission to proceed as it sees fit. I believe it would have been better to have a bill, to have a full debate and then to have the Metric Commission appear before a committee and reappear each year to justify its program and expenditures. We see in this commission another government body removed from the scrutiny of parliament. We see it as a group that is a law unto itself and which proceeds as it sees fit.

I talked to officials of the commission about the terms of reference in the order in council. I was appalled by their reply. I noted that in paragraph 7 it states that the commission shall advise the minister on the need for legislation or any other action that may be required to facilitate conversion to the metric system. I asked whether they intended to advise the minister that legislation is necessary, and how they intended to proceed. The reply was that they intended to follow the wording which says "or any other action". In other words, they do not want a bill or guidelines; they want to be a law unto themselves so they make their own rules and proceed as they see fit. I have the feeling that we should have the Auditor General review their spending and have them appear before the public accounts committee to justify their spending.

[Mr. Kempling.]

Numerous groups have registered their dissatisfaction with the progress of the commission. The proposition of "let the costs fall where they may" is surely the height of folly. As things stand at the moment, lack of leadership at the federal level has led to confusion on the part of the public. Industry is waiting and watching for someone else to make the move.

In respect of what the minister said about the provinces having programs, I checked with every province and find that none has a cabinet policy or a stable program concerning metric conversion. They are all waiting for direction from the minister. It may seem to many that the idea of letting the costs fall where they may is the cheapest way to do it, but the sector committees have no authority; they are neither paid nor reimbursed for their expenses. As a consequence, there is a high turnover. If this matter were not so vital to industry perhaps it would be all right to let the costs fall where they may.

I have the impression that the Metric Commission believes that by a snap of the finger we will be metric by 1980. Nothing could be further from the truth. There is good and bad news in these remarks, so having said what I have, may I say that I welcome the minister's statement to the effect that he will introduce a program under the Department of Industry, Trade and Commerce to assist small business. I commend him for that. I think assistance in metric conversion will be well received by small business. I think the offer of assistance by the federal Business Development Bank to help them in their financing is fine, but we want the minister to go a little further.

If we can finance export development trade at 7 per cent interest and give loans to Cuba at 3 per cent, why can we not have a special rate, say a prime rate, that would be used specifically in respect of metric conversion? As the minister has said, this is a far reaching program which will affect every industry in the country. If we can finance programs outside the country at rates of 3 per cent and 7 per cent, surely to goodness we can do something inside the country at a special rate. I hope the minister will take a serious look at this matter.

The beverage industry in Canada has a particular problem. From my discussions with that industry it would seem that it is making pretty good progress in its conversion, although there is a particular problem. The industry has $40 million worth of re-usable bottles which have an average life of ten years. The industry is awaiting clearance of double labelling by volume so it can use the $40 million worth of bottles. I am told that it would take six to seven years to carry out the complete conversion. We are five years down the road now, so there is no way this conversion will be completed by 1978 or 1980.

Automobile mechanics have a problem in securing new tools. Some modification must be made concerning the tool allowance under the Income Tax Act. I hope the minister will speak to his colleague, the Minister of Finance (Mr. Turner), and suggest that in the next budget provision be made to increase the $150 tool allowance for automobile mechanics. The industry which stands to make the greatest gain from metric conversion is the construction industry. It stands to gain by way of cost reduction under metric conversion. Standardization of building components should be encouraged, yet the Minister of Public

Works (Mr. Drury) has taken no initiative in respect of metric conversion with respect to public buildings. Nothing has been said in any of his speeches about metric conversion. The same thing applies to the remainder of the cabinet; they have all been quiet on the subject.

Mr. Hees: How about dredging?

Mr. Kempling: I do not know whether dredging will be done under the metric system, but this is an area which might be worth looking into. The provinces and the municipalities are waiting for initiative on the part of the Minister of Public Works. When will we see it? If you look at the total of the buildings which the Department of Public Works erects in the course of a year, and add to it provincial and municipal undertakings, you will find that it represents a large portion of the construction in this country. Surely the department should show some initiative and give some leadership to the provinces and municipalities which await government action in this area because they are aware of the advantages of metric conversion.

● (1550)

I should like to sum up what I have said. We support the Metric Commission. We want to see it act in co-operation with our neighbour to the south. However, we are very concerned about the operation of the Metric Commission. We believe that it needs a good shake-up, that it needs firm direction and that it needs support from the minister and from other members of the cabinet. We believe that the structure of the sector committees must be given careful consideration. If they are not functioning properly, they should be reconstituted. The committee must have some authority; and we are not sure that the use of volunteer help is the best way to proceed. As I understand it, sector committees sit about four times a year. Committee members come to Ottawa at their own expense. I think some provision is made to cover travel costs if they travel beyond Winnipeg, in which case I believe they get 25 per cent of the fare but no per diem. While this may be economical, I do not think the best results can be obtained from employing volunteer help, because they have no authority.

Metric conversion in Canada will put us in step with the rest of the world. As I read recently in a magazine, the People's Republic of Yemen, Burma, Canada and the United States are the only countries in the world not on the metric system. Metric conversion must go forward and for this we must have leadership and direction, both of which we lack at present. We look to the minister to give the commission a good swift boot to get them in line and get this program under way.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am happy to participate in the debate this afternoon but I am sorry to hear that we are not more advanced in converting to the metric system, as is apparent from the timetable outlined by the minister. In looking in my file I find that in 1968 I introduced a bill regarding metric conversion. The bill is designed to provide a technique of study for the applicability to Canada of the metric system. The appointment of a commission of senior public servants is intended, first to avoid the costs and delays inherent in the appointment of a royal commission, and second to ensure the completion of studies and reports within a reasonable period of time. I have been wondering, since I looked this up, why I have become so interested in the whole matter of metric conversion since I do not know very much about the subject. However, I am very interested in the history of the metric system as it was outlined by the previous speaker.

I understand that the Conservative government under the leadership of the right hon. member for Prince Albert (Mr. Diefenbaker) had undertaken a study within the government. Since nothing resulted from that study, it might seem that I should be given credit for what the government did, because on reading the bill one finds that the government followed my recommendations; so it seems as if I had written the program. This does not always happen. It is interesting to look back to the correspondence and see what one of the groups which wrote to me said at that time. I am referring to a letter which I received from the Canadian Teachers' Federation in which they said the federation had taken note of the bill respecting conversion to the metric system, and they put forward the following resolution:

> The Canadian Teachers' Federation has taken note of Bill C-85 (an act respecting the metric system) which you had originally introduced in the House. We thought you might be interested in knowing that the Canadian Teachers' Federation has passed the following resolution:
>
> "That the CTF encourage conversion to the metric system".

In 1970 I received a letter from the Canadian Institute of Quantity Surveyors after I introduced another bill in 1969. They wrote:

> This letter is prompted by Bill C-42, designed to provide a technique of study for the applicability to Canada of the metric system, which you introduced to the House of Commons on October 30th last.

They went on to say they were of the following opinion:

> (a) Canadian conversion to the metric system must arise from economic necessity.
>
> (b) The desire to convert must be voluntarily generated by industry, and not by government.
>
> (c) Most importantly, to be effective the conversion must have the support of all levels of government, federal, provincial and municipal, and must permeate the entire national economy.

I also received a letter at that time from a gentleman who was very interested in the subject. He wrote:

> If your bill is adopted, it could reasonably be expected that the commission would report in favour of the metric system. The presentation of the subject to the House of Commons, following the introduction of the report of the commission, would require a more comprehensive study of the wider implications of the question, nationally and internationally. I hope that a complete acceptance of units of the metric system for all uses in government, industry, commerce and merchandising would be possible, at the one time.

He went on to state some other advantages of the metric system. This was appreciated because, as I said, I am not an expert on the subject. When I introduced that bill I was familiar with a couple of problems that had developed and had been dealt with in parliament shortly before that time. While I certainly do not have the advantage of the knowledge possessed by the minister on this subject, I am particularly interested in an inquiry we undertook on the subject of conversion to the metric system of certain machinery and tools. At that time a great number of systems were being used in Canada for the measurement

of simple things like nuts and bolts and machine threads. There were right-hand threads, left-hand threads, and some bastardized sizes that did not fit anywhere.

Mr. Foster: It is always members of the NDP who make such statements.

Mr. Peters: If the hon. member is referring to the word I used, there is a type of thread that goes by that name; but a member of parliament from the medical profession would probably not be familiar with that. His relationship with that word would be in another context.

It was obvious at that time that great advantage was to be gained from conversion to the metric system even in such a small area as the manufacture of nuts and bolts, so that a farmer would not have to choose from such a large selection of nuts and bolts for every farm implement. The other advantage would be derived from the fact that since tools for farm machinery come in all sizes, if we could adopt one universal system of measurement many units would become interchangeable and this would prove to be economical.

Whether or not these advantages are sufficiently great to warrant plunging the country into the cost and effort of metric conversion, with all it entails, is not clear. Since that time I have received a letter from the Teachers' Federation which points out that they have reconsidered the problem and are now prepared to act upon it. There again, they are having extreme difficulties because if they are going to act on it they will have to do so in a very heavy-handed way. They are of the opinion that they should go into the metric system fully and be prepared to teach it, not in comparison to the old system but as a new system and teach that and that only.

● (1600)

There are tables and other paraphernalia to allow for conversion factors. It is quite possible that the old system of feet, inches, chains and rods, pounds and all the other things common to the English measuring system should probably be taught in history now, because it is a very interesting subject and it would be interesting for young people to find out how we, in a very archaic way, have developed our systems of measurement.

I agree that if we are going to convert, it has to be done fairly suddenly. I drove down Highway 11 in Ontario a few months ago and saw a sign which read 350 or 370 kilometres to Toronto. I wondered how far it was from North Bay to Toronto. I went down the road about half a mile and saw a sign which said it was 217 miles to Toronto. I do not think the 217 miles should be translated into kilometres. The process of translating brings about many difficulties.

I would have liked the minister to explain a number of difficulties, which he did not mention, in the flow of this conversion to what is called the International System of Units. The International System of Units, as I understand it, is really what we call the metric system. It is a subject that was studied very carefully; this may account for the spending of some of the $7 million that we have heard about. I knew one of the senior officials—I met him socially quite regularly—and he was either going to, or coming from, Europe all the time.

[Mr. Peters.]

Mr. Baker (Grenville-Carleton): He must have been the Prime Minister (Mr. Trudeau).

Mr. Peters: I did not discuss it at any great length, but I understand they were discussing in a number of countries how they would make this conversion—even in countries which we thought were on the metric system previously, such as France and Italy. These countries are also having a great deal of difficulty in converting.

We would expect, when we listen to the weather announcements, to hear that it is two degrees centigrade or minus two degrees centigrade, but that is not what we hear: it is referred to as two degrees Celsius. I ask, what the hell is Celsius?

Of course, there are a number of temperature systems. There is a system with the absolute—that is a scientific scale—there is the Fahrenheit scale and there is the centigrade scale. There are at least one or two more temperature scales. I assume that instead of using the centigrade scale we would go to one of these outlandish scales which have been developed. I understand that Celsius was a scientist who played around with units of temperature and was responsible for the development of the centigrade scale. We call the other one Fahrenheit: I do not know whether he was the person who developed it.

Instead of going to centigrade, we went to the Celsius scale. I think the minister should have explained how that fits into the SI units of metric conversion, because I think this causes concern to people thinking in terms of centigrade and we find it is not being called that at all. I wonder if the people who announce the weather are having fun. Sometimes they are; they throw the chalk into the air and quite often they miss and put the highs where the lows should be.

Other countries are having difficulty with the SI system as well. The *Metric Monitor* contains some very good information. It also contains much propaganda. I do not understand what Premier Robert Bourassa's kilometer zero monument was established for, or why it is on the front page, but it does say that Mr. Boire, the executive director of the commission, when travelling around found that in England they are experiencing slow progress and lack of a positive attitude toward the adoption of the SI metric system. The *Metric Monitor* also says:

> The British Metrication Board feels that the delay in carrying through the program was piling up unnecessary costs in industry due to the continuing requirements for production and inventory maintenance in both systems.

This was pointed out by the previous speaker, and it reflects surveys by independent businessmen in the small business community. They are very concerned at having to carry double inventories in many of their commodities. The *Metric Monitor* goes on to say:

> The failure to communicate with the consumer and the extension of the changeover period has increased confusion and consumer reaction against the change.
>
> France: Metric units and SI symbols are generally being properly applied to signs and packages. In industry, there is general reluctance to give up old metric pressure units such as the kilogram per square centimetre and the bar, plus considerable opposition to using the newton rather than the kilogram force. Temperature is generally referred to as degree centigrade rather than degree Celsius. SI is exlcusively taught at all educational levels, but new metric units are generally frowned upon at the industrial operating level.

It goes on to talk about Italy and other countries and what they have done. I think it is to Canada's credit that this has been done. The government cannot take much credit for it, because credit must go to the civil servants who have become very involved with a number of private businessmen who have co-operated with the advisory commission to develop a scheme across the world that will upgrade the metric system in countries which have been on the system for a long time.

When this conversion takes places, it should be truly representative of weights and measures. I do not know how to translate volume and other measurements, but the whole system must progress so that we do not find ourselves using a metric system in this country which is not in use in other countries. If they continue to use centigrade degrees and we use degrees Celsius, and if they use kilograms and we use something else, we will be no better off than we were in the first place. Other countries have spent on metric conversion the sums of money which our commission has spent on it. The idea of converting is to use a standard of measurement which will be universally accepted and adopted.

● (1610)

Some funny things can happen when you convert. Let me tell the House a little story. A man went to a lumber dealer and asked to purchase six feet of two by four pine, dressed four sides. "I'm sorry," said the salesman, "but we no longer sell lumber by the foot-pound system; everything is sold by metric measurement." "Very well", said the customer, "give me two metres of two by four pine, dressed four sides." The salesman said, "I must disappoint you again, sir; our two by four pine is available only in lengths of 1.83 and 2.44 metres." The customer was a bit confused at these odd sizes and asked; "Why do you stock only odd-numbered lengths?" The salesman replied, "It's because it is all rounded off to the nearest foot."

That story shows what could happen and how hard it may be for some people to figure out measurements under the metric system. The mathematical calculations are beyond the ability of many Canadians and, frankly, I do not want to learn how to operate a small computer when doing my conversions. Let me refer hon. members to an article in the Toronto *Star*, by Ellen Roseman, entitled "Consumers must switch—and maybe fight." It reads:

Metric Conversion

A woman went to her florist recently to buy a dozen roses. The florist charged her for a dozen roses but only gave her ten.

"We're using the metric system now and this is a metric dozen," he explained.

Stories like this make government officials livid with rage. There's no such thing as a metric dozen, they say, but try telling that to an unscrupulous merchant who sees metric conversion as a profit-making bonanza.

As overseer of the switch, the Metric Commission in Ottawa is urging producers not to smuggle in price changes along with metric size changes.

It is also asking producers to make the new metric sizes larger, rather than holding the price steady and shrinking the package.

There are no penalties in law for merchants who make extra profit out of conversion. The Metric Commission is relying on moral suasion to keep them in line. It's using the 110,000 members of the Consumers Asssociation of Canada as watchdogs.

Still, "there are some consumers who feel that merchants are salivating for the time when Canada goes metric and they can gouge away," says George Mailhot, a sector manager with the Metric Commission.

"This hasn't been the experience of Australia and Great Britain when they converted. Sure there were isolated cases, but no excess rip-off."

As I suggested in 1968 converting to the metric system, I am happy to note that the government did not delay too long in following my advice. I must sound a warning which the government would do well to heed. If the conversion is to be successful, the government must introduce a bill which will stipulate standards of measurement. We all know that present measurements of length and volume must meet certain federal standards. Penalties are provided in cases where standards are not met. The government should stipulate standard metric measurements which people in business in this country and in other occupations must meet. As well, the suggested date, 1980, for the implementation of metric measurement is unrealistic. I do not think it can be done much before 1985, and I suspect the minister will be satisfied if the new standards are wholly adopted by the year 2000.

We must guard against abuse and provide penalties for gouging which may result directly from conversion. Without safeguards, Canadians will not know if they are being cheated. I have often seen women in grocery stores trying to figure out whether a can or package labelled in metric units is smaller or larger than an apparently similar sized can or package labelled in today's standard units of measurement. The new units of measurement may puzzle consumers and we must provide safeguards against abuse. The old slogan in the marketplace, "Let the buyer beware," still holds good. We have all heard of the butcher who puts his thumb on the scales to make the package seem heavier. We must make sure that rip-off artists do not keep their thumbs on the scale. To prevent abuse, legislation will be necessary.

Small businesses may need help with conversion, help which could be provided under a bill. If the conversion is to be completed in the stipulated period, help will be necessary. I suggest that the small entrepreneur, the small, independent businessman who can only convert at considerable cost in terms of increased overhead will need help. Assistance will have to be provided. Against that, however, there is considerable advantage which will accrue to the larger companies: they will receive greater benefit from the conversion. It will be an opportunity for them to upgrade their operations. If they are given some assistance, they will be able to upgrade and modernize their facilities. This will obviously result in the production of a larger number of goods. Where we are now limited to countries which have the same measuring system as ours, with the metric system we will be able to compete in world markets.

● (1620)

I would like to know how the minister intends to assist the communities of this nation. Somebody mentioned fire hydrants. How will a small community change over its fire hydrants?

Mr. Gillespie: Why would they?

Mr. Peters: That is a very bright question for the minister to ask. Obviously, the hoses wear out. The replacement couplings will not fit the hydrants. If by law the manufacturing facilities must be converted by 1980, the replacement hoses will not fit the present hydrants.

Mr. Gillespie: They can adapt the couplings.

Mr. Peters: I know something about firefighting equipment, including couplings. Anyone who has served with a volunteer fire department knows something about this. Couplings are a very special commodity. Adjustments will likely have to be made to the hydrants, not to the hoses. However, both the hydrants and the hoses may have to be converted—an expensive proposition. This will also apply to such things as automobile tires. It will be an added cost to municipalities. I agree that you can use adapters, but they are very expensive. An hon. member is smiling. As he comes from the Ottawa region, he should be familiar with the fact that the Ontario government set up a regional government for the Ottawa area. Without knowing the facts, I can safely say—

Some hon. Members: Hear, hear!

Mr. Peters: —that there is the law of averages and there are about 15 or 18 different sizes. It is quite safe to say that four or five municipalities within greater Ottawa have systems that are not interchangeable. I would be surprised if even their radio equipment were interchangeable, and it is a very small matter when it comes to changing crystals. However, someone has to buy and change them.

Conversion to the metric system will cost money. Changes will have to be made in the whole social field. The minister knows very well the Department of Industry, Trade and Commerce will gain by this conversion. His department could make the transition a lot easier by providing grants in order to make the conversion. I would like to suggest that his department provide a factory to manufacture some of this equipment, but that might not be acceptable to this government.

Another weakness in the conversion is the lack of response we have had from many of the provincial governments. I have always been interested in the province of Quebec in terms of international measurements, signs, and so on. In Ontario, there are huge, bilingual signs to show there is a bump in the road. Quebec has always followed the international system of just having a picture. In that province it is not a matter of the language you speak; their signs can be understood by all. I am quite sure there will be much greater acceptance of the metric system in the province of Quebec than in many other provinces. Some provinces will have difficulty meeting the responsibility which will fall on their shoulders. If there has been a weakness in the committees established to study metric conversion, it has been the provincial governments. If the minister is at all serious about his deadlines, he will have to get the co-operation of the provinces. This will involve a lot more discussion with the provinces.

I have often said the federal government has a responsibility toward education. I sincerely believe it has a very large responsibility at the junior levels of education with regard to conversational French. If it has that responsibility, it should pay for it. This government has been extremely lax in providing equality of opportunity to learn a second language. If that is true, it is equally true with regard to providing educational facilities for training young people in the metric system. It will be necessary for our educational institutions to have some assistance in replacing their equipment at as early a date as possible if our young people are to learn the metric system. Added to the other expenses the school boards and educational facilities have to meet this year, it will not be possible to meet this commitment without help from this government. The Canadian Teachers' Federation are anxious to meet this commitment.

The minister introduced this motion in a lackadaisical manner. He referred to it as a joint Senate and House of Commons motion to do something that has not been spelled out. He did not even attach to the motion the timetable which he later tabled. If we do not meet some of the problems I have referred to, it will not be possible for Canada to be on the metric system by 1980. In five years we have developed a lot of fancy documents. This booklet is a good example, and it has been duplicated by the dozen. More material is being turned out than one can imagine. On every page there is listed a different date by which the government expects conversion to take place. For example, it states:

> Most provinces in Canada will be teaching metric as of September, 1974. Many provinces have run metric workshops for their teachers.

If they have not done so by now, they are not going to do it. It is now 1975 and we should know whether all schools are now teaching this system. As I stated, on each page of this booklet there is a different date for conversion. Under the heading "Shopping" it is said the conversion with regard to toothpaste would take place in 1973. Each page covers a different item and has a different date. For instance, talking about textiles they say:

● (1630)

> Textiles will be dual-labelled for a time and then labelled in widths measured in centimetres and sold by the metre, probably by March, 1977.

Each page gives a different date by which these things are expected to take effect. Mr. Speaker, we cannot hope for much from a Liberal government. They never move very fast or very firmly. I give them full credit for having got this far. It surprises the hell out of me to find them accepting an idea which I thought was a very progressive one. They accepted it at least in the form of a white paper in less than 2½ years. They have studied the matter, and the study is now complete. I wonder whether it has proved possible to get the other nations of the world to accept the SI units of measurement of which the minister spoke and whether acceptance of this international unit will have the force of a convention binding on all countries.

I do not begrudge the $7 million which has been spent on this concept, because I believe it is a system which should last for a long time. Children will be able to add in tens—about the only accomplishment I was able to master in the course of my own career in mathematics; you can ask my colleagues, Mr. Speaker, and they will tell you my arithmetic is very bad beyond that point. The metric system does permit a degree of exactness which nothing else will allow.

It is important that the public accept the timetable which the minister has put forward. It is also important that use is not made of devices which the public will not accept or which the public will accept only with reluctance. Unless care is taken, a backlash of resentment will develop against the use of the metric system, especially if the two systems are allowed to be used side by side for a lengthy period of time. I hope a bill will be introduced shortly, expressed in firm language and providing penalties for failure to use the official measurements where established, so that these arrangements will be binding on all Canadians.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I am glad to speak about the motion of the Minister of Industry, Trade and Commerce (Mr. Gillespie), which reads as follows:

That the ... House of Commons approve the government's program of guideline dates for metric conversion;

And that a message be sent to the Senate informing their honours that this House has adopted a resolution approving a program of guideline dates ...

Mr. Speaker, since the tabling in the House of the green paper in 1970, I sincerely believe that this question has progressed very slowly. I still recall the statements of the minister of that time who, when tabling the green paper, stated why the government wanted to introduce the metric system. At that time, he said that it was the British who had maintained for so long the impossible imperial system. They were helped by the United States, a country that used to belong to the British empire and which kept not only the language, but also the archaic measurements of the British government.

Today, Mr. Speaker, more than 110 countries use the system, but I think that the Canadian people might not be ready to accept it. In my opinion, we should urgently prepare Canadians for the introduction of the metric system.

In the United States, the people are doing more or less what we are doing; they are studying and they are wondering how much it will cost. In reading the statements of the minister, I was surprised to learn a few things. He said and I quote:

Let us note that the use of the metric system is legal in Canada since 1873 but that our legislators at that time made the mistake, as their colleagues in the United States ...

... and all governments since ...

... not to declare imperial units illegal. Their lack of foresight is now costing us much hardship and money.

At that time, the Metric Commission was created. When he tabled his green paper, the same minister described as follows the advantages of the metric system:

The basic unit of the metric system is the meter which was created in France in 1793 and based on one ten-millionth part (10^{-7}) of a quarter of the earth meridian.

With as well defined a unit which is divided by tens instead of inches, lines and half-lines I feel the metric system is excellent. I see that in the House 90 per cent of all hon. members recognize today the necessity of the metric system. There will always be a small percentage of them, 10 to 15 per cent, who will not want it. Even last week I heard someone say the metric system was impossible. Many things were said to be impossible 20, 30 or 40 years ago which have become possible today. To my mind, there is nothing impossible about adopting the metric system. When 90 per cent of the world population have adopted it, it is high time for the other 10 per cent to follow suit. The minister also indicated there would be difficulties, that some already existed. And he said:

It is often impossible to express precise measures in British units and that is why we often use ordinary fractions.

In the metric system, the smallest unit visible to the naked eye is the millimeter, while in the British system, it is the inch which is twenty-five times greater than the millimeter. The ounce is twenty-eight times greater that the gram.

Minute dimensions in which modern science now deals are impossible to express in our traditional system, but are rather simple in the metric system.

I shall not repeat all those information. They aimed first of all at reassuring the people that the federal Parliament was not embarking on an adventure, but was fulfilling an obligation. The minister said the process was rational and that the population had to go along with it.

Parliament established a commission for metrication. I feel that commission did not put enough emphasis on education. In my view, the commission stressed one main point, judging from what we received from it. I do not know if other members received other reports. I have in hand one six-page report. Considering it cost us $7 million, I feel this is somewhat expensive per page. We should have obtained more information on that commission's work. We read in the report that the commission's main effort was to contact industries. But at the consumer level, it apparently did not make any real effort. I think the first priority should have been consumer education, especially in the school system.

I wonder now how much the commission invested in our schools to help teach the metric system across the country. I am convinced 75 per cent of older people, and by that I do not mean 90- or 95-year olds, but middle-aged people who were educated in the foot-pound system, will be trained by their children. They will teach them how to think in terms of metres. Those who never heard of it will tend, when they try to understand the system, to make comparisons. It takes time, as every French Canadian trying to learn English did experience; at first, he tries to translate the words before speaking. Pretty soon, we will have to think in terms of something else, this time in terms of metres. That will be difficult for those who were trained otherwise. I believe the commission should have emphasized the work to be done in schools. If children are taught to think metric, it will be much easier for industries and even governments to implement that system someday.

● (1640)

The minister was saying this afternoon that he was organizing three pilot projects. Fine! A pilot project is all fine, but it should not last for two or three years, until 1978. While those pilot projects will be carried out in three areas, all the rest of Canada will be waiting. I think that experiment should be carried out throughout Canada, and to begin with children should be taught that system. They would thus be ready for the metric system, and all the rest

would follow naturally. That would mean lesser expenses for the government.

The first three pages of the report deal with an academic course to define the metric system. Page four briefly describes the activities of the commission and deals with the approximate cost—

The cost of that broad and ambitious conversion program cannot be estimated with any degree of precision.

I agree with them, for if their progress is going to be so slow, it's also going to be very expensive.

Relationships with the United States are mentioned at the end of the report, which says that metrication is a must for North America. I think that system will be implemented throughout Canada by 1980, and the United States will have to follow suit. However, we should not force that system upon the United States, since Canada always abides by what the United States decide. I am not saying that we should copy from anyone, to see if they will go metric if we don't. Let us get in step with the world because in a couple of years the metric system will be a worldwide phenomenon. We will then have made the step toward progress.

Earlier I heard a representative of the Progressive Conservative Party say, "We will certainly have suggestions to make, we will be inclined to accept the government proposals." Of course I recognize those fears, and Progressive Conservatives are a bit like us when they ask what has the commission done in the past four years. Its work will have to be examined to see if it is serious, if the money was well managed. In those discussions the commission will certainly have to provide more explanations so we can know where we are going. It is all fine to set up guidelines, but we must know in every detail what they can produce.

So we are waiting for all those details so we can know in the next two years what all that might cost at the federal, provincial, municipal, school, industrial, private, public, and parapublic levels. People must know what metric conversion will cost them.

Pilot projects were mentioned. I was somewhat surprised to learn that the minister did not make any federal proposal. It would have been interesting to know his views, and that would have set an example for provincial governments to follow. Unless a few imaginative projects are initiated with respect to the metric system, industries will be increasingly inclined to drag on, and provincial governments will wonder what Ottawa is doing in all that.

I do not know what the views of the Minister of Industry, Trade and Commerce are, but at least today a step was made. We expected something with a little more detail because a lot was expected from that commission. When that commission was set up I thought every year we would be informed, step by step, about what was being done toward metric conversion.

Mr. Speaker, there will be more discussions in committee or in the House. For our part, we are interested in the matter. I heard a while ago the spokesman for the New Democratic Party say that it will be easy in Quebec where there will be much more progess. I admit that it will be probably so. Quebec will go faster in its conversion to the metric system, because in the first place, I think that it heard about it sooner than other provinces, except perhaps Ontario. It is not surprising. Quebec reacts faster when there is a new development in any field whatever. As for contraception, Quebec has beaten all records. We rank first among provinces for our low birth rate. For high birth rate, we have again beaten the record. We can beat all the records, outmatch all the others and establish the metric system much faster than elsewhere.

I hope that Quebec will show its leadership, since it is now an urgent matter, and establish the metric system to be in harmony with people throughout the world.

[Mr. Gauthier (Roberval).]

● (1650)

[*English*]

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in rising to speak on this very important subject I cannot help but echo the words of the hon. member for Halton-Wentworth (Mr. Kempling) and others who have stated we need a proper bill in respect of metric conversion. This is a very important and costly subject in Canada, but to date there has been very little public acceptance. The business community is certainly concerned about metric conversion and to date the glossy brochures full of cartoons are not allaying the fears of businessmen or consumers in this country. It would appear that the $7 million which will be spent by the end of 1975 has not done the selling job for the government and that is why it is important that a proper bill be brought in.

I should like to make some comments in respect of how the metric system is advancing in the United States. They are making some headway, but they are also bringing in some subsidies to help small businesses. I will comment on that in a few minutes. Leading the shift in the United States are large businesses such as General Motors, the nation's largest manufacturer. GM is swinging to a policy of designing all new parts in metrics. This giant firm wants to harmonize production in all GM plants throughout the world. In the U.S. this will affect about 40,000 of GM's suppliers. In addition, Pintos and Mustangs are being equipped with 2.3 litre engines and powered by motors designed entirely in metrics. An estimated 30 per cent to 40 per cent of Ford's production is in foreign markets where metrics are the standard, and a shift in the United States will make parts interchangeable.

In addition, an international panel has agreed on a new standard size for widely used office paper, being 210 by 280 millimetres, which may eventually replace the 8½ by 11 inch paper found in most U.S. offices. Many adults will be in for some trying times in computing the new figures but youngsters in many parts of the country are already getting their first taste of the new standards in school. At least 14 states of the United States are in the early stages of preparing class work in metrics and six have enacted laws calling for the metric system to be taught.

In California all elementary school texts must include metrics by 1976, and Maryland has a six-year program of instruction to shift to the new system. Many federal agencies are getting on the metric bandwagon as well, and the U.S. Patent Office is encouraging inventors to include both types of measurements in their patent applications. It would appear that the United States is doing a better

selling job and making better preparations, especially in the educational system, in their country than we are. I will be going into more detail as to the fears in respect of costs of metric conversion on the part of Canadian school boards.

In the United States, however, most experts agree that if the entire nation is to go metric, it must have full federal backing, an idea that has been kicking around since Thomas Jefferson urged the adoption of a decimal system some 150 years ago. I referred to subsidies earlier and I should point out that in the United States they intend to sponsor a bill that would help mechanics pay for the cost of new tools. As an example, an official there argued that a typical machinist who buys his own tools might spend as much as $4,000 for a new set of metric-measured tools. Many small businesses say much the same, that replacing expensive equipment could prove prohibitive. One industrial official in the United States has stated:

> There's bound to be a lot of hauling and tugging over the final version of the bill, but if everybody gives a little I think we can finally get the switch to metrication under way.

Some who are in support of the legislation in the United States estimate that the switch could add from $500 million to $700 million in exports per year, and foreign firms could increase their sales to the extent of $300 million to $500 million in the United States.

There have been many meetings across the country, including full-day seminars, to discuss the metric system. I should like to put some of their comments on the record. Mr. J. Kenneth Clark, assistant vice-president of Simpsons-Sears Limited in Toronto, when speaking to a one-day metric seminar in Toronto sponsored by the Conference Board of Canada stated that no matter to what extent government sponsored commissions, committees and subcommittees indulge in sharing education, in the final analysis it will be the retailer who will bear the burden of educating the reluctant consumer and be the recipient of consumer reaction.

May I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of the adjournment are as follows: The hon. member for Edmonton-Strathcona (Mr. Roche)—External Affairs—Niger—Allegation people starving in spite of availability of Canadian grain—Measures to control aid program; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Consumer Affairs—Bilingual labelling—Request for consultation with businessmen—Government action.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

REGIONAL ECONOMIC EXPANSION

WESTERN NEWFOUNDLAND—SUGGESTED APPOINTMENT OF ADVISORY AND PLANNING BOARD TO ENSURE ECONOMIC DEVELOPMENT

Mr. Jack Marshall (Humber-St. George's-St. Barbe) moved:

> That, in the opinion of this House, the government should take immediate steps to consult with the province of Newfoundland with the objective of appointing an advisory and planning board for western Newfoundland; to ensure the steady and orderly progress of existing economic development of that part of Canada and, particularly, to ensure support for infrastructural, economic, industrial and social and environmental needs, and that the Board consist of elements of the Departments of Regional Economic Expansion, Manpower and Immigration, National Health and Welfare, Transport, Public Works, Environment, Energy, Mines and Resources and the Ministry of State for Urban Affairs.

He said: Mr. Speaker, although my motion may be considered parochial in nature, I feel its contents, the proposal and its objectives can be relevant on a national basis. It simply asks that the government should appoint, in consultation with the province, a planning and advisory board for western Newfoundland to ensure the steady and orderly progress of the present unprecedented economic development taking place in that part of Canada, and particularly to ensure support for infrastructural, economic, industrial and social and environmental needs, with suggestions for representation on that board.

● (1700)

The west coast of Newfoundland stretches along a coastline of some 500 miles from Port aux Basques in the south to the tip of the northwest coast. I do not intend to trespass on that part of the coast which lies within the responsibility of my colleague the Minister of Regional Economic Expansion (Mr. Jamieson), and for the purposes of my exercise will refer only to that greater part of the coast which lies within my own district. Neither is it my intention to cross over into the district of my other colleague the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey), who represents very well the land mass of Labrador almost adjoining; but since there is a very close interrelationship, it is necessary to mention Labrador because the development of the vast energy resources in that part of Canada affects and charges us both with certain responsibilities and emphasizes the need for the special attention and planning which I am requesting through my motion.

In this regard I refer to the provincial government's plans to proceed with the development of the hydro potential of the lower Churchill as follows: the development of the full hydroelectric resources of the Gull Island site, together with a transmission facility for delivery of the power to the island of Newfoundland and an inter-tie with

power development on the upper Churchill and the additional island facilities which will be necessary to integrate the existing system. The project, when carried out, will deliver 11 billion kilowatt hours of energy to the island and Labrador, which is equivalent to approximately 18 million barrels of fuel oil annually and would evidently make Newfoundland self-sufficient in her energy needs. Conclusions reached by the consultants indicate that if total financing could be realized of the projected amount of $1.6 billion, then the benefits could be achieved and the output could be absorbed by 1985 to 1988. It is not necessary to point out the importance for Newfoundland, too—because of her isolation—to become self-sufficient in her energy needs. Along with the Come-by-Chance oil refinery and the gas finds off Labrador, this could be realized to ensure not only self-sufficiency but indeed to provide surplus energy to other parts of Canada.

Another important factor in the procurement of energy in our province is to induce mineral exploration and the resulting industrial potential. It is worth while mentioning that I commend the federal government's agreeing to lend the province 50 per cent of the cost of transmission facilities up to $343 million and it now appears that financing will be forthcoming. But coincidental with the resource development is the need to transmit the power to the island via the Strait of Belle Isle in my district at the narrowest point between the two land masses by a cable tunnel 60,000 feet long, 14 feet wide and 17 feet high under the strait to a depth of some 700 feet. As an aside, I am proud to say to the doubters of my private member's bill for the creation of a tunnel to connect the two land masses, which I first introduced in 1968, that the idea was not too far-fetched after all.

I can only hope when the government accepts my motion at the end of this debate that the planning and advisory board which will be created will take as one of its first tasks the ongoing study required to expand the crossing to include the provision of vehicular access, or at least preparation of the design for future additions. But to indicate the magnitude of the project, Mr. Speaker, it is estimated that a labour force of some 600 men would be required in the initial stages, reaching 2,600 men at the peak period.

The figures I mention came out of a study made by consultants which gives in pretty elaborate detail the requirements for the construction of the sophisticated facilities and engineering, but brushes over very lightly the infrastructural support required, such as the need for roads, harbour facilities, third level air service, housing developments, townsites, construction camps and other basic services. This supports my motion in one respect for proper planning to ensure orderly development.

Vast amounts of equipment will have to be transported to the presently isolated location, emphasizing the need for road building, the provision of harbour facilities and the creation of third level airports. It is obvious that there is a need at this very moment to plan that these facilities are provided coincidental with the development of the site. The present road system along the great northern peninsula is entirely inadequate, and while I must give credit again to the minister for his co-operation with the province of Newfoundland in the roads programs which started last year to support the establishment of the zinc mine in central Newfoundland and the Gros Morne national park, much more needs to be done on an emergency basis.

Further, shipments of goods and services will have to be made from the ports of Port aux Basques and Corner Brook. As well, lines of transport communications will be required to support the Labrador linerboard mill in Stephenville for the movement of the raw resources required between Labrador and the island. Again, Mr. Speaker, even with the financial support over the years to these ports by the federal government, they are congested to the point where expansion is vitally necessary.

So does this, then, not indicate the need for a planning group with elements of MOT and Public Works to become involved right now to ensure orderly progress? And if, as is projected, some 2,600 men will be required, does not this point out the need right now for the Department of Manpower and Immigration to become involved to provide training programs for the jobs required; and since, certainly, there will be a need to bring people in with families from other parts of the province and area and, indeed, the technical skills required from other parts of Canada, is not there a need for orderly housing development for the construction of townsites, to provide water and sewer facilities and to help local school boards to project the needs for expansion of educational facilities?

I ask all members who may participate in this debate, are those people with these specialized skills to move to isolated areas without proper telephone service, without adequate television service and without adequate medical services, which are certainly not adequate in northern Newfoundland? Does this, then, not point out the need for involvement of the Minister of State for Urban Affairs (Mr. Danson) and the Minister of Communications (Mr. Pelletier) with their provincial counterparts to ensure representation and achieving orderly planning?

What about the effects on the environment and on the quality of life of the proud citizens of those isolated areas who have been oriented primarily to the fast depleting fishing industry? Mr. Speaker, does this not point out the need for involvement by the minister of the environment and fisheries (Mrs. Sauvé) with her provincial counterpart? Even in this area of concern I realize that there has just been completed an environmental overview of the lower Churchill power development under the auspices of the provincial government, suggesting measures to minimize principal environmental effects. But these studies tend to get cast aside and it is therefore important that a responsible group be charged with the responsibility to ensure that the recommendations are carried out to the benefit of those Canadians affected.

I might mention, too, the many volumes that make up the trans-Newfoundland corridor transportation study, which does not refer to any inter-tie that is now vitally required in all forms of transportation to the north and again projects the immediate need for further studies to collaborate with the corridor. At this very moment the TransCanada Highway has deteriorated to the point where in order to support this mode of transportation there is the requirement for a strengthening program and expansion of the TransCanada Highway in Newfoundland

to bring it up to a reasonable standard. It is my contention that the TransCanada Highway never, ever, met acceptable standards and if one wanted to look at that highway, or that portion which exists in my district, it would be embarrassing.

But even the industrial progress which can accrue as a result of the energy development cannot be taken in isolation, because along with this development in northern Newfoundland there is ongoing industrial expansion southward along the coastline that I mentioned. I refer to two worth-while projects in the central and southern parts of the Great Northern Peninsula, the establishment of a zinc mine in Daniel's Harbour and the ongoing development of the Gros Morne national park. Already the developers are faced with housing problems, the need for expanded harbour facilities, new road extensions, public services and other needs required to support the movement of people from other adjacent areas to take advantage of the employment offered.

● (1710)

Moving southward again, mention should be made of the ongoing development of the 750 square miles of Gros Morne national park. Under the general development agreement, the federal government is providing 90 per cent of some $15 million for development programs, for community infrastructure and for road construction not only for communities within the park but also for those that are in close proximity and which can benefit economically and socially. This is in addition to some $20 million provided in the current estimates of the Department of Indian Affairs and Northern Development, as well as the many millions of dollars that have already been spent in past years. The total sum amounts to $35 million to $40 million. I mention this to reaffirm the need for ongoing planning and orderly progress which would tie in with the development of the northern part of the province.

I am very excited about the industrial progress that is taking place and will continue to take place in the next few years in the most isolated and remote areas of my province. I am optimistic that not only will the benefits accrue to the citizens in that part of Canada but, more important, it will finally allow Newfoundland to compete with other resource-rich provinces and thus enable us to contribute instead of drawing from the wealth of our nation.

However, the development of this vast area of Canada to which I referred cannot be treated in isolation, without consideration being given to the need to solidify the transport base in the southwestern and southern part of our province. I refer to a rectangle formed by the areas of Port aux Basques, Corner Brook, Stephenville and Deer Lake, the more urban areas in western Newfoundland. These areas must be assisted particularly because of their importance as an entry point and point of dispersal to the northern and central parts of Newfoundland.

I repeat that my friend the Minister of Regional Economic Expansion is quite capable of looking after the area he represents in Port aux Basques without my help, but I am sure that he will agree with me that that port plays a vital role in the ongoing development of Newfoundland. My main concern is to remind the government that if we are to get full value for the dollars allocated for this purpose, then the transportation base to which I referred must be supported not only with dollars but with common sense planning to ensure the development and progress of the western part of the province.

Taking into consideration the main port of Corner Brook and the allocation of funds in the estimates amounting to $3.5 million, the representation made by the interested parties from that area to expand the present facilities in that natural port must be treated with the utmost urgency. I was most pleased to hear the Minister of Regional Economic Expansion say in committee recently that that expansion proposals would be studied by officials in his department in collaboration with officials in the Department of Transport and the provincial and municipal governments involved.

In addition, we must look at the over-all development of the three areas in the rectangular base before considering each corner of the rectangle. I should like to impress upon members of parliament the importance of this urban centre an the activity which is taking place thereby pointing out that at present a $10 million regional college is under construction. It will be an important urban centre which will need infrastructural support because of the fact that some 500 students will converge there as well as 150 teachers. As a result, there will be the need for a housing development in the area as well as other public services. The main requirement is for the development of an extension for what is known as the Corner Brook-Curling waterfront and the development of the vast potential which exists in western Newfoundland.

Before leaving the subject of the port of Corner Brook, let me refer to the economic heart of the region, the main industry of western Newfoundland, namely, the great Bowater pulp and paper mills which, as well as gypsum and cement plants, have been the mainstay of the economy of the western part of our province and the economic support of the forest resource potential in western Newfoundland. This focuses attention on the need to collaborate with the international enterprise in Newfoundland's forestry policy and in transportation.

I should like to move now to another part of the rectangle and mention another urban centre known as Stephenville, an area which became a prominent and important centre of industry in western Newfoundland. I will not take the time of the House to relate the results of the economic development of that area, but let me say only that now it holds a very important place in the future of Newfoundland because a $200 million linerboard mill is located there, a successful industrial complex. It is part of the urban development of western Newfoundland.

To lend importance to its place in the future development of the province, the mill and the industrial park which form the basis of the economy will receive from the province over $24 million to cover general expenses. It will also obtain the benefits of a subsidiary agreement with the Department of Regional Economic Expansion amounting to $20 million over a four-year period to be used for the construction of access roads and to cover the cost of equipment.

The only remaining part of the rectangle is the town of Deer Lake which serves as the jumping-off point to the

Great Northern Peninsula which must also be taken into consideration in the over-all planning of western Newfoundland because of its strategic location as the hub of the north. It must be obvious by now that as a result of the over-all development we must co-ordinate planning, which is the basis of my motion.

I should like to comment on one vital point, namely, the importance of our agricultural potential. I hope that the minister will realize that many parts of western Newfoundland can produce in sufficient quantities to satisfy the agricultural requirements of most of the province. Notwithstanding our mixed industrial potential in the province, any planning that takes place must take fisheries into account. I am sure that members from Newfoundland will agree that any industrial development that exists must take into account the protection of our fishing industry, and I am sure that those who will take part in this debate will support this principle.

Finally, I should like to say that my motion is presented not to criticize but to help. I have described a mixture of almost every type of development in one region of Canada. Newfoundland is as yet comparatively pollution-free, and I feel very strongly that if the government wished to create a model for future planning in Canada, then here is an opportunity which they will never have again. It is in this context that I propose the establishment of a planning and advisory board with representation from departments and agencies at both levels of government to plan and advise for the orderly progress in western Newfoundland which could be used as an example in the future development of our nation. I hope that my motion will be accepted.

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I am very pleased to be able to take part in the debate on the motion of my colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). Our areas are contiguous and we have problems in common.

I agree with the essential principle of the motion but I do have some concerns which were reflected in the statement made by the hon. member, and that is that the motion is parochial. That is my only concern and I will comment on it more fully. I have no complaint against the general principle of the motion and I support it. I would not like the motion to be limited to the west coast of the province because that would mean that planning would proceed in that area and might not apply to other parts of the province.

The precedent has been set, I might say, in Goose Bay where the Minister of Regional Economic Expansion (Mr. Jamieson) over two years ago set up the Goose Bay project group. This project group consists of provincial and federal civil servants, and it was set up to do comprehensive, short-term and long-term planning and implementation of a variety of federal and provincial programs. It is possible that this precedent has been applied elsewhere as well.

It is essential that in the administration of programs in particular areas, people, not only politicians but at the civil service level, get together. As a result of the establishment of the project group, a number of developments

are taking place in the Goose Bay area, an area which at present is very vulnerable economically, but I hope solutions can be found to those problems. There has been co-operative planning between the federal and provincial governments in the whole DREE program in the province. So up to this point the principle has been established.

The hon. member referred to the northern peninsula highway. I was glad to see that last year work started from both ends toward the middle of the highway, which has been in terrible condition until now. The highway is vital for the economic development of the north as well as for the development of the quality of life on the northern peninsula of Newfoundland.

● (1720)

Both of our ridings and the whole province will benefit as a result of the forestry agreement which has been signed with the province. As a result of this, access roads and various other facilities for the lumbering industry and the forest industry in general will be built. I would refer also to the great projects in the field of fisheries: for example, the barge on the Labrador coast last year was largely financed out of federal funds. There will be various marine service centres going in this year, not only in my riding but in that of the hon. member, and I am sure he will agree with me when I say that the program of the federal government for small craft harbours has been of great benefit both for my riding and his. We were able to increase the expenditure to something like $30 million last year in small craft harbours and that program has been of great benefit to many small fishing communities in Newfoundland and in all the Atlantic provinces.

The hon. member referred to the Gros Morne national park, and I congratulate him on having in his area one of the beauty spots of the province. I was glad to hear him give due credit to the federal government for its efforts to improve and to beautify that particular area. There is a smaller version in my riding, Lance aux Meadows, where the first Canadians lived in the year 1000—the Viking site in North America. In the next three years we will be spending a total of $9,000,000 on improvement of that national historic park.

If we are to have co-operation, it must be a two-way street: it must not only be federal, but provincial. I have felt—I do not know how the hon. member feels about this—up until now that we might have had a little more emphasis from the provincial government with regard to the development of northern Newfoundland and Labrador. As far as I can see, most of the funds which have been spent on many of these projects and in many of these areas have been federal funds. I hope we will see a firm commitment in the future on the part of the provincial government to the development of that area of the province.

Co-operation is a two-way street, and if there is going to be an advisory board composed of both levels, there must not only be provincial people on the board but it must be the policy of the provincial government to make a contribution to the further development of those areas. I have not been assured to this time that that firm commitment exists. For example, I notice that a great portion of the provincial budget is put aside for roads, and I cannot see

any of that money going into the Labrador area. Roads are essentially a provincial responsibility. We have spent federal money on roads, but surely the provincial government also has a responsibility along those lines.

If the province is to have a massive road building program this summer with provincial funds, I think it is about time it started spending some money in those areas where it has been noticeably lacking until now. I do not think we can be accused of being political in the allocation of our resources, and I think the hon. member in his comments has agreed with me that the spending of our money has been to try to develop the whole province and not just those sections we might serve. Much more needs to be done. The building of the road up the northern peninsula would certainly open up the area for tourism and encourage people to visit places like the park at Lance aux Meadows.

More needs to be done with regard to the fishery. Much more needs to be done with regard to the lumbering industry. There is a great future for those resources on the northern peninsula of Newfoundland. In central Newfoundland there is already a great deal of economic expansion simply as a result of the base which was there in the beginning, but a great deal still needs to be done. I am referring to water and sewer systems and more roads.

My colleague referred to developments of oil and gas off the Labrador coast, some of the greatest finds in the world. We do not know specifically what the potential is—at least, not from the companies. We are able to guess at it; we certainly know there is a large potential there. We have to be careful when the oil, the gas and, indeed, the hydro are being developed that we make sure, first, that we preserve the environment to protect our fishermen and, second, that we preserve the social structure of the communities. I was very glad to know that recently a team from the provincial government had travelled along that coast and talked with people in various Labrador communities about the possible social implications of oil and gas discoveries and oil and gas development off that coast. The same is true of hydro. The federal government has now funded the native people of Newfoundland in carrying out a study as to their rights with regard to this development. The government is very concerned that in all of this development they will not be shunted aside or neglected in so far as their rights are concerned, and I think we should pay attention to that aspect before we go ahead with this development.

My colleague mentioned that we offered to the province of Newfoundland a loan of $343 million at low interest rates for the building of the transmission line. I agree that that should go ahead and that it is essential. I agree that proper planning should be carried out, but I want to be sure that if and when that hydro development goes ahead, the power is brought across Labrador and used for the whole province and not just a particular section of it. Until now I have not received that firm commitment. The people of Labrador are very concerned that this power will be once more exported and not necessarily used for their own development. We must have a commitment from the developers of the power. It is essential to the whole province but it must also be developed for the people in the area where the power source is, and we must have that commitment before the development goes ahead.

I agree in principle with this motion. If we are to implement the principle, then let us do it not only for the west coast but also for other areas in the province. Let us have an advisory board not simply for Goose Bay but also for Labrador. Let us have an advisory board for central Newfoundland and southern Newfoundland and other areas. The principle, though, is well taken. In fact, it is essential. In terms of manpower becoming involved, we have already established a precedent with the community employment strategy. A team from Canada Manpower has been working for some months with officials of the department of social services, I believe, of the province of Newfoundland, and possibly other departments, in trying to structure the community employment strategy. Comprehensive, joint planning between federal and provincial civil servants is going on in the province at this point so far as Canada Manpower is concerned.

The principle is a good one. It should be applied to the west coast, certainly. It should be applied to the northern peninsula, to Labrador, throughout the province, and in other provinces as well. I certainly support in principle the feeling which the hon. member for Humber-St. George's-St. Barbe has expressed, and I wish him well in his commendable and successful efforts in the development of his riding.

Some hon. Members: Hear, hear!

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, the proposal of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) reminds me, and should remind the House, that he is a Glace Bay boy and a Cape Breton boy and the socialist seems to be coming out in him. He seems to be a socialist in disguise looking for a planning board, so I am happy for him in that regard. I am not sure that the gas finds he and the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Rompkey) referred to off Labrador will be as beneficial as he expects for the province, but we can hope, with them, for success in this respect.

I just want to make a few comments about planning, since it is part of the message the hon. member has sought to apply to a particular area of Newfoundland and which his colleague on the other side of the House agreed in principle was needed. When the Atlantic Development Board was set up, it was supposed to come up with a plan for the development of the Atlantic region. This notion seems to have been dropped by the government, for DREE is not really a planning agency, in my opinion, although it should be.

● (1730)

DREE and the Department of Transport are major departments of the federal government which should form the core of a planning board for the Atlantic region. Other federal departments, such as the Department of Public Works and the Department of Fisheries, should attach personnel with at least the status of deputy minister to the proposed planning board. As well, departments of development of all the Atlantic provinces should be included in such a proposed Atlantic regional planning board.

Within this planning framework specialized development boards such as the Cape Breton Development Corporation, which is a specialized socio-economic experiment for a depressed area, could serve in Western Newfoundland to fill the role of the sort of planning board proposed by the hon. member for Humber-St. George's-St. Barbe.

The proposed Atlantic region planning board would make greater sense if the government gave a commitment to more planning at a national level. Recently Henry Ford III issued a strong warning. North America is undergoing a serious recession and Henry Ford III said that no government today can do without some type of planning mechanism. He was repeating what socialists had long said, that private decision making by corporations often leads to the boom and bust psychology of capitalism. especially corporate capitalism. This leads, on the one hand, to human suffering and severe waste of resources, known as unemployment, and on the other hand, to unstable, inflated prices which are no longer controlled to the same extent as in the past by the private market mechanism. Hence we need to plan how to use our monetary, fiscal and exchange policies to stabilize our economy. There must be planning in some meaningful, national sense.

I believe that economic leadership must be exercised in a new way through a national economic planning board of the sort espoused by the Japanese. This board must be in a position to determine our country's economic and social needs now and for many years to come and provide the public with alternative plans of action. These should not only enable us to avert hardship and disaster, but to guide the economy in a direction consistent with our national values and goals.

I suggest that we are not unfamiliar with the idea of planning. Every individual and business plans for the years ahead. The United States space program is a good example of planning in its most sophisticated and successful form, and illustrates the size of effort which must go into national economic planning. The principles, nevertheless, are simple. First, a set of feasible alternatives was studied, then a realizable goal was set. That goal was the building of a space vehicle to carry a man to the moon and bring him back to earth. To fulfil this mission a long-range program was established. All necessary information had to be gathered in a consistent and useful form; then step by step, the program had to be carried out—

Mr. Guay (St. Boniface): Make sure you don't send a man to heaven.

Mr. Knowles (Winnipeg North Centre): It's all right going to heaven. We don't want him going to the other place.

Mr. Hogan: As it is St. Patrick's Day, hon. members' comments may be apt. Allow me to continue. As I said, the space program had to be carried out in the required sequence, the results had to be monitored, and corrections had to be made whenever necessary.

Just as it would have been impossible for a man to go to the moon and back by accident, so it is impossible for us in Canada to achieve our economic objectives by accident. The most striking fact about the way we organize our economic life is that we leave so much to chance. We give little thought to the direction in which we want to go, and make no consistent effort to balance the needs of different parts of the economy. We do not attempt to ensure that resources are allocated to meet our most urgent national needs. Actually, we know they are not so allocated, as the present state of the economy clearly shows.

We do not try systematically to forecast the needs of the nation in the years ahead. Instead, we use dozens of separate unco-ordinated agencies which make policy in this area and that, without thinking how it all fits together. We have many federal and provincial agencies collecting economic data. In most instances it is insufficiently detailed; frequently, it is obsolete, and often contradictory and incompatible. No single office or agency is responsible for setting appropriate standards and correlating data so that we can pursue coherent national objectives. We make economic policy from quarter to quarter, or year to year, without perspective as to where the economy is going or where we want it to go.

The idea behind planning is simple. On the basis of information, we act. Most of the action in the Canadian economy takes place in the private sector. Democratic planning is not a substitute for a decentralized economy, nor does it replace the millions of private decisions made in the market every day. Instead, democratic planning is needed if we are to reach democratically chosen objectives. It should influence decisions which must be taken in the field of economics. Economic techniques consistent with the attainment of chosen objectives must be used. We already know how these decisions are influenced.

For example, tax incentive or disincentive measures and traditional monetary and fiscal policies directly influence individual actions. Selective credit controls, measures governing basic capital flows, and other measures involving limits to the use of air, water and land, and mandatory resource allocation affect individual actions directly. All such measures have been used at one time or another by the federal government in a haphazard fashion, except in World War II, with no consideration of their over-all effect. The purpose of planning is to take over-all effect into account.

It should be clear that the proposed planning office would not set specific goals for General Motors of Canada, General Electric, or any other individual firm. The office would determine the number of cars, generators, and so on, and the amount of frozen food we might need, say, in five years, and try to induce relevant industries to act accordingly. In such a way the plan would supplement and reinforce the market and have it serve the public interest. This is not happening now.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, let me congratulate the hon. member on his motion. The suggestion for appointing an advisory and planning board is, I believe, a constructive one which the government must consider seriously.

Mr. Baker (Grenville-Carleton): Allow the motion to pass, then.

Mr. Knowles (Winnipeg North Centre): The hon. member is another socialist.

Mr. Guay (St. Boniface): Other members will want to speak on this motion because the suggestion contained in it could be applied in many other regions of Canada, especially rural areas. Many small towns and villages simply do not have the resources to establish individually the kind of advisory board I think the hon. member has in mind. So there is no doubt in my mind that the two senior levels of government must be prepared to play a greater and more direct role in ensuring good and orderly development of the more depressed regions of Canada.

I know from researching this proposal that western Newfoundland, containing 18 per cent of the population of the province, faces special circumstances. Some sections of the economic base need considerable improvement. The unemployment levels of the area have been higher than those of the province as a whole, and in the manufacturing sector growth has been only marginal.

Successive federal and provincial governments have attempted in various ways to improve this situation, but not until the Department of Regional Economic Expansion was established in 1969 did the federal government begin a concerted, fully organized effort to attack regional disparity. Since then there has been a proliferation of joint federal provincial undertakings involving not only DREE but other federal authorities such as Manpower, CMHC and Fisheries.

● (1740)

During this period DREE introduced various programs and signed a number of important agreements which have been of economic benefit to western Newfoundland. For the record, I would like to refer to some of them. Under the special areas agreement, as amended, three regions in western Newfoundland were designated: Corner Brook, Hawkes Bay-Port au Choix and Stephenville. The estimated cost of the agreement was $39.9 million. Of this amount DREE will provide $19 million in contributions and $20.9 million in loan funds. These projects included the construction of schools, highways, water and sewer systems. Another program, the special highways agreement, provided for eight projects in the western region of the province at an estimated cost of $11.6 million. This was funded totally by the federal government.

Under ARDA III, the Port aux Basques industrial water supply program provided for the installation of a water supply system to service fish plants in Port aux Basques. The total estimated cost of this project is $810,000 and the DREE share is $405,000. Under the ARDA III agricultural program there are plans for a western agricultural centre, a western swine breeding station, and a western veterinary clinic and soil and feed testing laboratory with an estimated total cost of more than $515,000.

The department's regional development incentives program has had a measure of success as well. Federal incentives amounting to $3.5 million have been granted to industrial projects in the region.

I believe the hon. member will agree with me that the federal government has been more than fair in allocating funds and resources to western Newfoundland. I am sure he will agree that more is required. I can say that a lot more is contemplated, because over the past 12 months the Minister of Regional Economic Expansion (Mr. Jamieson) has been visiting all provinces in an effort to ensure the fullest possible use and co-ordination of manpower and resources to fight regional development problems. He has signed general development agreements with all provinces, and Newfoundland is a front-runner in terms of the signing of subsidiary agreements under this important new policy. On this point the hon. member's motion for the production of papers relating to these subsidiary agreements was accepted earlier by the government. I want to let the hon. member know that translation is almost complete and the requested documents will be forwarded shortly to the appropriate officers of the House. In the meantime I can certainly provide copies in English, if that is helpful.

Mr. Marshall: I have them already.

Mr. Guay (St. Boniface): I know you have them, but I want to place it on the record because too often if you do not say it, you get a backlash in two or three weeks time saying we did not offer them and you did not receive them. I am pleased to hear the hon. member say he has them in his hands and is quite happy with them.

The new federal-provincial approach calls for joint co-operation and planning by both senior levels of government. Subdividing each province into economic units with separate planning bodies has not been proposed as an effective means of solving local disparities. Instead the emphasis has been laid on co-operation in seeking to identify development opportunities wherever they may be, and employing all the available resources of both governments to ensure their successful development.

Western Newfoundland has already benefited from this new approach with the signing of five subsidiary agreements. They cover forestry, highways, the Gros Morne Park, fisheries marine service centres and special fish plant water supply systems. Additional subsidiary agreements are being negotiated and will be announced when they are completed.

The subsidiary agreement covering forestry will also benefit western Newfoundland. Over $30 million, 90 per cent of which will be funded by the federal government, will be spent in the province. The agreement covers the construction of access roads, acquisition of forest land, forest improvement and inventory, and research and development of harvesting and utilization techniques.

The highway subsidiary provides for several highway construction and paving projects on the Great Northern Peninsula at an estimated cost of $6.7 million. DREE's share of this cost will be $6 million. The road to Daniel's Harbour will service a new zinc mine expected to come on stream in 1975.

The Gros Morne Park area development subsidiary agreement provides for tourism planning studies, community infrastructure and road construction projects to help the residents of the areas near Gros Morne Park benefit from the development of a major national park by the Department of Indian Affairs and Northern Development. The total estimated cost of agreement is $15.1 million, and DREE's share is $13.6 million.

The fisheries marine service centre program subsidiary agreement provices for the construction of marine service centres at a total estimated cost of $2.4 million. The DREE share is $2.2 million.

The special fish plant water supply system subsidiary agreement provides for the installation of water supply systems to service fish plants at Port aux Basques and Burnt Islands at a total estimated cost of $1.6 million. The DREE share is $1.4 million.

Many provinces feel the same as the hon. member. However, with the present implementing of decentralization of DREE, the MDM in the area can in fact make decisions. He ought to be given that chance. I think all members will agree this is the best system.

This is one of the first areas in which the federal government has instituted decentralization. It should now be given a chance to see how it works out. I believe the present staff of DREE will work in the manner the hon. member would like to see. I am sure this will be the case.

● (1750)

I have tried to provide the House with as much information as possible on the new efforts by DREE in Newfoundland, and specifically in Western Newfoundland. Similar intensive activity is taking place in other provinces. There are many areas in my own province of Manitoba, for example, which require this kind of assistance and I know a lot of work is being done there by government officials under the general development agreement to ensure that the regions which are hardest pressed get priority attention. Western Newfoundland certainly qualifies for this special attention.

Mr. Baker (Grenville-Carleton): Hear, hear!

Mr. Knowles (Winnipeg North Centre): Question! Everybody is for it, why not pass it?

The Acting Speaker (Mr. Penner): The hon. member for Hamilton Mountain.

Mr. Gus MacFarlane (Hamilton Mountain): Thank you, Mr. Speaker. I thought for a few moments that you could not see me; it is reassuring to know that my diet is taking effect. I want to assure the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) that I really believe in his intentions. I believe he has very good intentions and that he always represents his constituency well. But I disagree completely with his motion. I fail to see the advantage of dividing ourselves along regional lines as he would have us do.

In my opinion it is unwise to get into the habit of naming advisory committees. Hon. members of this House should do a great deal of this work. They should certainly seek advice from committees in their ridings. But advisory committees tend, ultimately, to seek executive roles and faced with this situation we, as members, may be tempted to abdicate authority which is ours.

Then again, where would the process of division end? In Ontario there would probably be a demand for a separate advisory committee to represent the northern part of that province; the process of regional division would begin all over again.

[*Translation*]

As to "La belle Province", I feel that in the City of Montreal, they would try to set up committees in Verdun, La Salle, NDG and Westmount.

[*English*]

I grew up in Verdun, Mr. Speaker, and I know that Montreal is really a suburb of Verdun. We did not receive the kind of attention we should have received, and if we had been appointed to an advisory committee we would never have settled for giving advice. It is an easy way out to give a committee an advisory role, deny it an executive role it would like to assert, and then ignore its advice. I should like to see members such as the hon. member and people like myself go back to our areas, form committees to advise us and then assure that this advice reaches the place where authority really rests, and that is the ministers' offices. I agree it is perhaps not possible in this day and age for ministers to look after all the tasks allotted to them in this fashion.

We might consider what is done in other parliaments, realizing that parliamentary secretaries, such as my hon. friend who has just spoken, are quite able, quite distinguished, and have a good deal of ability. Members such as these might be given greater authority in the administration of certain portfolios, taking on a role much like that of an under-minister in the British parliament. It might be a good thing if five or six members, presently parliamentary secretaries, were given authoritative roles to play within their departments. I sometimes feel very disturbed when I am denied assistance from the hon. member for Winnipeg over there because I feel he has so much to contribute. It might be that ministers, instead of forming caucuses only within their own party could bring other members of parliament into active roles together with those parliamentary secretaries, thus constituting a committee along the lines of an advisory committee which was capable of exerting pressure on executive authority.

An hon. Member: You were referring to the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. MacFarlane: You wanted me to say that. Actually I always forget which part of Winnipeg the hon. member comes from since we saw Jesus Christ Superstar together, because we were both convinced after we left England that only he and the man in the play could walk on water.

Mr. Knowles (Winnipeg North Centre): You are on the wrong diet.

Mr. MacFarlane: Lest anyone misunderstand that remark I intend not to let anything cross my lips except water until I visit Mr. Speaker's office for Irish coffee.

I am serious, though, when I say that if greater emphasis is to be placed on recognition of regional needs, this task should be performed by members themselves. Those of us on the back benches over here want very much to play a part in it and we invite backbenchers on the other side to join us, realizing that there will be many occasions on which we should stand together in affirming what is good for Canada.

Some hon. Members: Question.

[*Translation*]

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I must regretfully advise the House that once again—tough luck!—I was given only a couple of minutes to prepare. I shall probably be accused of wanting to kill the motion introduced by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), a man I hold in high esteem and whose courage I admire. But rising after such eloquent speakers as the Parliamentary Secretary to the Minister of Regional Economic Expansion and my distinguished colleague from Hamilton Mountain (Mr. MacFarlane), there is in fact very little I can add on the subject of this motion, except this: as a number of hon. members in the House, I feel that the mover certainly deserves the praise of his colleagues in the House. What really attracted my attention, however, is the fact that, when a while ago the hon. member who spoke before me and whom I always call the socialist member from ... six o'clock already? I have unfortunately not had the time to prepare myself!

[*English*]

The Acting Speaker (Mr. Penner): I regret to interrupt the hon. member but the hour for private members' business has expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

WEIGHTS AND MEASURES

MOTION TO APPROVE PROGRAM OF GUIDELINE DATES FOR METRIC CONVERSION

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

That the .... House of Commons approve the government's program of guideline dates for metric conversion;

And that a message be sent to the Senate informing Their Honours that this House has adopted a resolution approving a program of guideline dates for metric conversion, and requesting Their Honours to unite with this House in the approval of the same by filling up the blanks in the resolution with the words "Senate and".

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, to continue my remarks in regard to metric conversion, at five o'clock I was quoting some comments reportedly made by Mr. J. Kenneth Clark, who is the assistant to the vice-president of Simpsons-Sears of Toronto. The article continues:

He noted that the retailing industry is progressively becoming more self-serve, "forcing the customer to become more self-reliant," and thereby reducing the role of the sales person.

The cost of conversion to metric units for pre-packaged, non-food products after August 31, 1975, will be considerable, Mr. Clark said, but the change will probably not register with most consumers.

"If it is noticed at all it will probably be thought of as information placed there for the convenience of new Canadians who have recently come to Canada from Europe."

But when hard conversion (changing containers to even metric sizes) takes place, Mr. Clark speculated that "there may be a boom in the sale of conversion texts, slide rules and rulers."

But for retailers, the problem with hard conversion will be a proliferation of sizes. "I understand that the men's dress shirt industry in the United Kingdom will now grade collar sizes in one centimetre intervals in place of the historical one-half inch.

"This will increase the number of collar sizes offered from eight to 11. This increase may cause little concern to the merchants in Britain because they do not offer a choice of sleeve lengths. If we were to follow suit, our stockkeeping units would increase from 24 to 33 per colour or pattern.

"However, it is possible that by grading in two centimetre intervals from 35 to 45 centimetres we could reduce the number of collar sizes offered from eight to six and our stockkeeping units from 24 to 18 and still provide an acceptable fit for our customers."

One of the more serious problems faced by retailers will be in maintaining inventory of parts manufactured using both metric and avoirdupois units.

"When the appliance industry converts to metric, the retailer or his supplier will have to maintain a long term inventory of parts manufactured to both standards. The same is true of plumbing fixtures and systems".

Those are a few of the comments made by Mr. Clark in regard to the problems facing business in Canada and why it is important that a proper bill be brought in to deal with the metric conversion program.

I should like to refer to some further comments made to the Conference Board in Canada recently. It was claimed that the federal government's information program to educate consumers on the metric system is inadequate. Elizabeth Bond, chairman of a sector committee of the Metric Commission in Canada, told a one-day seminar on the metric system in Toronto that there was little hope for improvement in the near future. She noted that the greatest obstacle to conversion to a metric system lies in the groundless fears of consumers. Her committee has attempted to come to grips with the over-riding need for consumer education by creating a public information subcommittee. However, the committee remains unconvinced that it has had any major impact upon the commission's program or lack thereof. Sadly, this means that much of the information burden must remain with the private sector.

This is why we are questioning this $7 million expenditure. The government seems to have done a very poor selling job; it has not got the message across to the Canadian people or manufacturers.

In addition, fears expressed by small businessmen have been pointed out by Mr. John Bulloch, the federation president for Canada's 650,000 small business proprietors. He claims that these businessmen cannot mind their stores and pay for Canada's conversion to the metric system at the same time, and the Canadian Federation of Independent Business has so advised Ottawa. Mr. Bulloch, the federation president, has called for financial and technical aid to help small and medium sized business absorb the impact of conversion. As I pointed out earlier today, Mr. Speaker, the United States is bringing in a system of subsidies to help, for example, mechanics, and this is something that will have to be done in Canada.

Metric Conversion

Mr. Bulloch told the Conference Board in Canada that a milligram of prevention is worth a kilogram of cure. He was referring to the federal policy of allowing the costs of conversion to fall where they may. His remarks were made in a speech to the board's Toronto conference on the impact of metric conversion on North America. Mr. Bulloch went on to say:

We recommend a program of grants and low-interest loans to assist in the financing of metric conversion.

Mention was made earlier today that we should have a system of low cost loans, and I hope that the minister will give this serious consideration. Mr. Bulloch continued:

Large companies have technical, financial and managerial resources for planning their own metric changeover and dealing with it over the long haul. Small businesses do not. It is the responsibility of government to ensure that small businessmen, including self-employed craftsmen, are properly informed and their interests adequately understood and represented.

Mr. Bulloch criticized the use of the federal Metric Commission to "implement a program for the entire nation before the policy decisions have been fully approved at the parliamentary level."

Small business is concerned that decisions are being made by administrators before legislators have done their homework.

"The work of the commission should receive parliamentary examination and approval immediately. It is difficult to expect provincial governments and business to be in metric changeover planning so long as there has been no bill or joint resolution before parliament.

● (2010)

Also Mr. Speaker, Mr. J. H. Kluge, President of Ascolectric Ltd. of Brantford told a seminar on the metric conversion program:

Some companies or industries will be hard hit by foreign imports once the Canadian market is open to products now being sold in the metric world, but which could not sell here because our market was too small for them to make special designs in imperial dimensions.

He further stated:

Government and industry will have to co-operate to a degree as never before to avoid a loss of employment in the secondary manufacturing industry.

Mr. Kluge said that timing was critical and:

We must avoid opening the market to foreign imports before the domestic manufacturers are ready to compete on even terms.

Conversely, there are many opportunities that will be presented to Canadian businesses. Mr. Kluge stated:

If a company is not prepared for this change it may become a traumatic and costly experience later on.

The article continues:

He noted that the impact of metric conversion on Canada's foreign trade cannot be generalized. "About $1.5 billion or 8 per cent by value of our 1973 export may be affected sharply. This amount of export must and will increase as new opportunities are realized."

He further stated:

Industrial management has been urged to invite union participation in planning for conversion to the metric system to avoid disputes arising from fear of change.

The article then continues as follows:

A. S. Tirrell, Canadian Labour Congress representative to the Metric Commission, told the Conference Board in Canada that relatively few union members would be directly affected by the conversion at their places of work but "there will be substantial segments of the work force where the effects will be impressive and critical.

"It is within such segments that Canada can ill afford any serious dislocation of the work force, with its resultant unrest and turmoil."

[Mr. McKenzie.]

He said labour considers metric conversion inevitable and desirable but the willingness of workers, through understanding and fair dealing, to accept the conversion is vital.

"All unions will take actions to ensure that their members are not adversely affected, regardless of the degree to which their jobs are measurement sensitive. They will attempt to protect their members against loss of income, employment security, promotional opportunity, job mobility, and against the burden of any costs additional to those which may be already borne by them.

"Managements would be wise to take the unions into their confidence and afford them participation in the planning process."

I have received representations from many businessmen in my riding, and I should just like to read part of the comments of one of them. He said:

We fabricate and supply reinforcing steel for reinforced concrete construction. Our products are used entirely within two prairie provinces and we do not engage in overseas trade. Changing to the metric system will greatly increase our costs due to a complete change of our measuring system. We believe that the change to the metric system will greatly increase costs in Canada and will not accomplish anything except for a few firms engaged in overseas trade. These firms should gear up for the dual system of metric and English standards and bear the cost in order to engage in their particular market.

This gentleman studied the situation and could see no benefits for his particular firm. He suggested that all this was going to do was add to the cost of manufacturing his product, and of course this will be passed on to the consumer, contributing to higher inflation.

Even as late as last week there were comments in the news media in respect of the metric conversion program. I should just like to read a few comments made by Mr. Gerald Hodge, the Director of the School of Urban and Regional Planning at Queen's University. He states:

In the sixties you were given to understand that when you passed 30 you were over the hill. In this metrication decade, the cataclysmic year has reached right down to the pre-adolescents.

One Montreal educator thinks that anyone beyond Grade 5 (10 years old) will never fully adjust to the metric system.

You're probably not much awed by this prospect. This may mean that the Canadian Metric Commission has already got you to think metric. Or it may indicate a certain resignation to the thrust of events; the Metric Commission seems to have convinced a lot of businessmen, newspapers, labour unions, etc., to say "it's inevitable".

Or it could be simple, old apathy and, in that case, maybe there is still some hope that this momentous step won't be taken in such a sheeplike way by Canadians.

Have you ever wondered, as I have, why this country is involved in such a specious exercise? Who benefits from metrication? Who pays? Are the advantages as substantial as the claims for the metric system suggest?

There are three general areas in which we are being led to expect extensive payoffs by converting Canada to the metric system of measurement. These are (1) manufactured goods sold in world export markets, (2) the learning capabilities of people, and (3) simplicity and convenience in packaging, purchasing and quality-control. Let's examine each of these areas and test the validity of the claims.

(1) World export markets will be thrown wide open to our manufacturers if we become a metric country. "It has been estimated," the reports always seem to say, "that Canada loses between $100 million and $200 million in foreign trade a year" because it has not yet converted. The Metric Commission confidently reports that exports should increase up to 10 per cent.

This is mere pie-in-the-sky. Consider two aspects of this matter.

First, world markets are not just sitting there waiting for us to exploit them by making sure our screws fit and our sizes are the same. A lot of pretty efficient firms in other countries know these sources of wealth, too.

Second, world trade is a two-way business. Once the Canadian scene is metricated it will be an easy matter for foreign firms producing for the metric world to expand production and export to us. That old imperial system of feet, inches, gallons and quarts, it seems, acts somewhat as a "tariff barrier" in favour of our firms.

Look around you at all the products made in metricated countries such as Japan, Italy, Sweden and Czechoslovakia. They may be made to metric scale such as your toaster, your Toyota, or your transistor and you never really gave it a thought, or had to. When was the last time you had a problem getting a French bicycle, an Italian auto, or a Japanese hairdryer fixed because it was a metricated unit?

You may have had troubles for lots of other reasons, but not likely for the measurement scale it was designed in. And much the same applies to the Spaniard driving a British car or the Swede using a U.S. computer.

It was mentioned earlier in the debate today that the school boards are concerned about metric conversion. I have some correspondence here from the Manitoba Association of School Trustees. They state in part:

Last spring, MAST took a very quick look at the cost implications of conversion to the metric system. That study indicated that costs of conversion for the academic stream would be about $4 per pupil and about $50 per pupil in the vocational area.

Who is to pay these increased costs? Will they be paid by increases in municipal taxes or will the provinces come up with the money? This is a very costly item and that is why a proper bill should be brought in on metric conversion so it is properly debated in the House and in committee rather than being put through as a resolution. The association went on to say:

Please keep in mind that the above figures were developed from a very superficial and quick study—your cost determinations might be substantially different.

Metric conversion is a federal policy and will be a fact by 1980. Because it is a federal policy our position has been that the implementation of such federal policy should be at the cost of the federal government.

● (2020)

Here is another statement made by Mr. Donald Eyles, President of Metricanada Consultants, a company formed to advise private and government organizations on metric conversion. Mr. Eyles stated:

Metric conversion in Canada is rapidly becoming a mess. Contrary to the unctuous platitudes coming out of Ottawa the Canadian metric conversion program is characterized by political expediency, indecisiveness and, above all, lack of leadership.

Understanding our predicament requires some background information. The basic question—'Why are we going metric anyway?'—has a simple (and perhaps unpalatable) answer:

The critical factor in the matter of North American adoption of metric measurement has been the emergence, since World War II, of the U.S. international corporations that now largely dominate U.S. foreign and domestic policy.

These multinationals have, between them, about 3,000 overseas manufacturing plants with an annual production valued at $225 billion—half the parent companies' total production. These 'global' companies want standardization in their operations, particularly in design, which leads to interchangeability of parts.

The domestic effect on the U.S. of the independent adoption of metrics by the multinationals is already immense. Two years ago a few major companies, including GM, recognizing the increasing impact of their direct suppliers alone (the top few multinationals are believed to have between 200,000 and 250,000 suppliers) required their metric programs to be co-ordinated. They formed the American National Metric Council to provide the necessary co-ordination and in two years the council has attracted well over 1,000 members whose names read like a Who's Who of American industry.

Various U.S. (and Canadian) government agencies are members, as well as a few Canadian private companies (Metricanada included).

A U.S. bill that would have set up a federal co-ordinating body failed to pass last May for procedural reasons. Indications are that a new bill will be presented to the Congress in a short while with good chances of passage.

However, our own federal government considers it politically expedient to await the U.S. legislation so that all blame for what undoubtedly will antagonize a few voters can 'officially' be directed at Washington.

Canada still lacks any private company or industry group, free of U.S. control, that could assume the initiative for metric conversion taken years ago by the U.S. multinationals.

As just one example, take the construction industry, with its many components. There are owners, developers, subcontractors, tradesmen from sheet-metal workers to bricklayers, various professional bodies, component manufacturers and government regulatory bodies.

Some people in construction have been pressing for a deadline in 1977 after which all construction components would be standardized in metric terms: agreed dimensions for bricks, concrete blocks, steel joists, door frames, plywood sheets—and on and on.

The problem is that buildings that'll go up in 1977 are being designed right now. The designers need to know what component sizes to use. The component manufacturers don't want to change their present specifications until they know whether there's a demand for new ones.

The complexity of the industry isn't really the problem; it's the lack of leadership. In this particular industry the federal government could exercise dominant leadership through its Department of Public Works.

When the federal government published a White Paper on Metric Conversion in January, 1970, it obviously did not foresee the political hot potato it would later become. The guidelines for conversion established at that time were essentially that conversion should be voluntary but co-ordinated and that there would be no subsidies for any costs incurred.

So one can see the concern there is in the country. Many businesses will have serious problems in dealing with metric conversion. Mr. Eyles closes by saying:

I do know, from unsolicited testimony, that many people involved with metric conversion committees, some at Metric Commission level, are beginning to feel that their time and expense is wasted. Meaningful decisions are not being made. The Weary Willies and Tired Tims exploit the timidity and indecisiveness fostered by a leadership vacuum—leadership we properly expect from our national government.

I cannot help but emphasize that we need a separate and individual bill rather than this resolution in dealing with metric conversion. This matter is far from being made clear to the public and the business community all over Canada, and should be still further considered by a standing committee.

Hon. Herb Gray (Windsor West): Mr. Speaker, a sound and accurate system of measurement has been fundamental for civilization from earliest times. One way this is shown is by the many references in both the Old and New Testaments to weights, measures and balances. The Old Testament in Leviticus commands that "ye shall do not unrighteousness in weight or in measure". The prophet, Micah, complains of "the scant measure that is abominable".

The motion before the House involves a decision that is one of the most significant that members of parliament can be called on to make, although this may not seem to be so at first glance. Our system of weights and measures is not only important to our ability to exchange goods and services within this country and with the world, it is also part of the essential fabric of our daily existence in an organized society.

When it decides on this resolution the House will be taking a formal position for the first time on the idea that this country should change from its traditional inch-pound system of measurement to the metric system. However, the House is being asked by the government to say not simply whether a change to the metric system is desirable in principle, but instead that it approves the government program of guideline dates for metric conversion.

One would have thought therefore that these dates would be spelled out fully in the resolution. Curiously enough, the government has not done this. I wonder how the government can expect the House to make a decision with such far-reaching implications for every Canadian without even putting before it formally the basic information required to give the resolution any meaning.

The Minister of Industry, Trade and Commerce (Mr. Gillespie) may give such information in his speech in support of the resolution, but this is not the same as stating it formally in the resolution itself. The failure to do this gives no opportunity to members of parliament to consider and do research on the suitability of the guideline dates prior to the beginning of the debate on the resolution. It means that this consideration can be given only during the debate itself which, unless it is lengthy or is adjourned, or unless the resolution is referred to a committee, does not provide an adequate opportunity, in my view, to examine basic and fundamental aspects of the matter.

One can also ask why the government is asking the House to deal with this important matter by resolution. A resolution does not have the legal force of an act of parliament. It is not binding on anyone in the sense that not following it would bring any criminal or civil sanction.

Using a resolution in a matter such as this has at least one major flaw from the point of view of parliamentary consideration of the question at issue. The flaw is that when the House considers a resolution, our rules do not provide any automatic provision for committee study of the resolution or its subject matter, as is the case with most bills. This means that we have no opportunity to question the minister or his officials directly and in detail on the practical effect of metric conversion on our daily lives and our commercial activity, both domestic and foreign, nor can we question them on the costs of this conversion and how they will be assumed.

● (2030)

We are unable to hear the views on these matters of witnesses from business, labour and consumer groups, as well as concerned citizens who are not formally members of any of these kinds of organizations. We cannot question the minister, officials, and people outside the government on whether the dates proposed for metric conversion, whatever they may be, are in fact the best for any particular industry sector in the light of the circumstances most relevant to that sector.

As I have said, the resolution does not in fact set out any guideline dates at all. However, a body called the Metric Commission has developed its own ideas as to what they should be. According to a document published by the

Metric Commission entitled "Canada Prepares for Metric Conversion":

> In September of 1973 the Canadian Metric Commission outlined a list of target dates for the project. They proposed that the four phases—investigation, planning, scheduling and implementation—be completed by the end of 1980 when the normal day to day transactions in the economy would be entirely in metric units.

The publication goes on to say:

> The investigation phase is now under way and should reach its peak in 1974. The planning and scheduling phases will extend through 1974 and 1975 with a view to being substantially completed in 1976. According to the proposed targets, implementation should start in 1975 and reach its peak in 1977-1978, although some industries would no doubt continue operating with the imperial units for a longer period.

The commission in effect calls for one single implementation date of 1980 for the entire economy, with no indication as to why it considered that date suitable for all sectors in it. The minister in his speech today has endorsed that date and the others developed by the Metric Commission. Even in the absence of an opportunity for committee study of the resolution, I think the House can insist that the government prove its case that the guideline dates that it is proposing are the best ones for the country or, for that matter, any guideline dates are appropriate and needed.

In January of 1970 the government tabled in the House a white paper on metric conversion in Canada. In that white paper the government took the position that:

> The eventual adoption and Canadian usage of a single coherent measurement system based on metric units should be acknowledged as inevitable and in the national interest.

However, I should say that nowhere in the white paper did the government say it would be proposing a system of guideline dates. Instead it pointed out with regard to the implementation of metric conversion "there will be wide variation from sector to sector" and that "wide flexibility in timing would appear to be necessary". In other words, the Metric Commission beginning in 1963 has developed a set of guideline dates, including one for implementation, which would be the same for the entire economy. However, the government's original white paper called for a high degree of flexibility on this with, what I would take to be, dates varying by sector rather than one final date for all sectors, a date now only a few years away.

According to the white paper the government appeared to be taking this position because of the differing circumstances and the resulting cost considerations in many sectors of the Canadian industry. The white paper stressed that this was particularly important because "change would likely be closely related to progress in the United States toward conversion, reflecting the complex interlocking of industrial technology in North America." The white paper went on to say:

> At present, it is the United States market which absorbs a major and increasing share of Canada's exports of manufactured goods. Some major sectors of Canadian industry are closely involved corporately and in respect of technology with the United States. This linking of industry in the two countries extends to markets both in North America and beyond. In these cases, it may prove wise to allow the timing and process of conversion to be closely related to the development of United States practice.

Yet the government has provided little information as to whether the guidelines it is proposing are in fact consistent with the pace of metric conversion in the United States. It is my understanding that, in point of fact, we are

ahead of the United States. The United States Congress last year refused to pass a law committing that country to metric conversion by certain specific and fairly early dates.

While we are concerned about the degree to which our best customer continues to be the United States, this is one of the facts of our current existence. Any effort to build up a new trading link with Europe and other parts of the world to lessen our dependence on the United States market, although welcome, will take some time to develop. One can also wonder to what extent this option will be able to replace in fact our links with the United States market which is still the largest and most wealthy one in the world today.

One can also question the appropriateness of a government body, the Metric Commission, developing as early as in 1963 a set of target dates to implement metric conversion, and going on to work with business and industry to reach these goals without any parliamentary approval. One can question the appropriateness of the government coming along to ask for such approval only when the commission itself is well along in the final implementation phase.

In fact the commission appears to have been given by the government a role far beyond what the government said in its policy white paper the commission would have. This document said only that there would be "a full-time preparatory commission . . . appointed to advise upon and co-ordinate overall planning of the conversion process".

One can ask how the commission came to have the task of actually overseeing the implementation of the conversion process, rather than being limited to co-ordinating its planning.

I have asked whether a resolution is the best parliamentary means to examine adequately the suitability of the government's program of guideline dates. We are dealing with a very serious issue. The suitability of these dates has a lot to do with the ability of our economy effectively to carry on both domestic and foreign business, its ability to meet import competition and, above all, it has a lot to do with what the actual costs may be for business and industry, and therefore ultimately for the public, of converting to the metric system.

If this is a matter of serious concern for any sector of Canadian industry, in my view it is crucial for a sector such as the auto industry which is highly integrated with its counterpart in the United States. The Canadian auto industry does not simply export much of its final production to the United States. Canadian manufactured parts are exported to the United States to be incorporated, along with American manufactured parts, in cars assembled in that country. These cars are then sold in both Canada and the United States. American manufactured parts are imported into Canada to be incorporated, along with Canadian manufactured parts, in cars assembled here which are sold in both the United States and Canada.

How can an implementation date of 1980 be practical for the Canadian auto industry unless this is the firm date for the American auto industry as well? What assurance can the minister and the government give us that there will be identical and parallel guideline dates for both of these industries?

There is at present concern about the future of the Canadian auto industry and employment in it because of the decline of the American economy. We have to be certain, therefore, that the government's pace of moving to the metric system in Canada will not be such as to give the American parent companies an excuse not to carry out further investment in new plants and equipment in Canada, or to transfer production to the United States to serve the needs of that market.

● (2040)

I have made reference to the cost of metric conversion. The white paper and the Metric Commission's own publications keep saying that benefits will outweigh costs, although they never give us any detailed cost benefit analysis to back this up, Mr. Speaker. I am, however, inclined to think that over a period of time the benefits of metric conversion, properly handled, will in fact outweigh the costs, but this will not necessarily be the case in the short or medium term for every industry or every Canadian. Until today the government has not shown any interest in special programs to help those Canadian businesses which will be forced to bear a greater share of the burden of moving to metric conversion than others in the economy. The program announced today does nothing about dealing with the additional cost to workers who have to buy their own tools.

The government has until today always taken the position that since all Canadians will ultimately benefit, the costs should lie where they fall. However, this overlooks the fact, as I have said, that metric conversion will likely carry a greater burden for some Canadians than for others, and some are better able to deal with these cost burdens than others.

It is likely that large businesses with a high degree of economic power will be better able to absorb the costs, or what is more likely, to pass them on to the public in the form of higher prices. This is something which cannot be done by the small businessman or the independent skilled tradesmen or the worker. It will be harder for many small businesses than for larger ones to absorb additional costs of metric conversion arising out of maintaining dual inventories of goods or replacement parts, as well as the cost of converting or replacing machinery and weighing devices. Again, as I have said, the government's program announced today, while helpful, contains a serious omission. It will not be available to help workers.

Many workers who are not self employed have to provide their own tools. For example, it can cost an auto mechanic up to $2,000 for a full set of mechanic's tools. The $150 income tax deduction for employment expenses is obviously no help to a worker in dealing with these kinds of unusual costs.

There is already a precedent for the government taking special measures in the interests of an entire economy when it causes the restructuring of an industry. These special measures are used to help those businesses and workers on whom it is found the burden of the cost of this restructuring falls in greater measure than on the rest of the population. One example of this is what the govern-

ment did to create special programs to help both firms and workers in the auto industry to adjust to the extra cost and dislocation caused by the change in that industry created by the auto pact.

I believe that in the course of this debate the government should give a commitment that it will help not only Canadian small businessmen but also Canadian workers to bear any additional special burden caused by conversion to the metric system. Carrying out this commitment could require programs of special grants, or low interest loans, or special tax exemptions not only for business and also for workers who have high one-time costs for replacing tools and equipment which they must supply out of their own pockets.

It has not been proven that metric conversion will benefit all Canadians equally, certainly not in the short and medium term. This is unlikely to be the case for a host of small businesses serving the domestic market, especially in the retail and service field. This is not so for the skilled tradesmen and repairmen who also serve the local market. Therefore the government must make the kind of commitment to which I have referred for additional measures of assistance in these kinds of cases, not only for business but also for workers.

There is another area of concern which the government appears to have overlooked. I refer to the possibility that some unscrupulous elements in the business world will use the changeover to the metric system to increase profits unjustly at the expense of consumers. They would in effect use the opportunity to increase their profit margins by maintaining the same price even when they shift to supplying their product in a metric size, which in fact is somewhat smaller than the size previously used. For example, the consumer might have the general idea that the metric measure for volume closest to the quart is the litre, and that the metric measure closest to a three pound package in weight is the kilogram. However, the litre is equal to only some 88 per cent of the volume of a quart. A kilogram is equal to only 2.205 pounds. Obviously if an unscrupulous businessman charges the same for a litre of his product as he does for a quart, this will mean a substantial price increase for the consumer and a substantial increase in profits for the businessman.

The government has not said that it will have any special program to prevent the consumer from being ripped off in the way I have outlined. It has said nothing about creating any mechanism to prevent this rip off from occurring, to impose sanctions on anyone attempting to take advantage of the consumer in this way, and to get redress for the consumer where, in spite of the sanctions, this is found to have occurred.

A businessman might say that metric conversion means added costs which he had to recover through increased prices, but these increased costs would not go on forever. They would be recovered over a certain limited number of sales in the future. The government has proposed no mechanism, as I have said, whereby these claims could be checked out and the businessman subjected to appropriate sanctions unless he was found to have passed on only the actual true additional cost of conversion.

Our laws on misleading advertising, and packaging and labelling have not been set up to deal with the precise

[Mr. Gray.]

kind of situation I have outlined today. The unscrupulous businessman, would probably not actually be advertising that he is providing the same quantity for the same price as before metric conversion. He will be improving his profit margins by taking advantage of the unfamiliarity of the consumer with the new system in comparison with the existing inch-pound system, as well as of the difficulty the average consumer would have in making the calculations necessary to find out the facts.

The government's request that the House approve guidelines for metric conversion is another argument for the speedy presentation by the government and the implementation of the anti profiteering bill. However, such a bill, whether it is called "anti profiteering" or "price justification", would be only a partial answer to the problem. It would likely be designed to apply primarily to broad categories of goods and services rather than to a large number of individual transactions in many areas of the economy.

The present Minister of Consumer and Corporate Affairs (Mr. Ouellet) told both the *Financial Post* and the *Financial Times* last fall that he considers such a bill to be "window dressing" and that he hopes he will never have to use it. In addition, the effect of such a bill in preventing the consumer from being taken advantage of by unscrupulous businessmen during metric conversion is hypothetical since such a bill has not yet been presented to the House by the government, and there is no firm indication when it will do so. In any event, I think there is need for a special government measure in addition to an anti profiteering bill to deal with the special problem metric conversion can cause to consumers.

There is also a great need for a better information program to educate consumers about the metric system and metric conversion. According to the *Globe and Mail* on Wednesday, December 18, Elizabeth Bond, who, I think, is a consumer representative and chair person of a Metric Commission sector committee on consumer aspects of conversion, told a conference board seminar that the federal government's information program to educate consumers in the metric system was inadequate. The article said that her committee has attempted to come to grips with the overriding need for consumer education by creating a public information subcommittee. However, the committee, according to the article, remains unconvinced, and I quote:

> . . . that we have had any major impact on the commission's program or lack thereof.

● (2050)

I think the points I have outlined demonstrate why more than what may turn out to be a relatively brief general debate in this House is required in order for members of parliament to make a wise decision as to whether they approve the government's program for metric conversion. Detailed answers to the kinds of questions I have raised today in a positive and constructive sense are required. But these can come only from the kind of study of the resolution that can best be provided by a parliamentary committee. I hope it will be possible to refer the resolution to a committee for this purpose.

The government, before a final decision is taken on this resolution, should also give commitments that it will provide help for both small businessmen and workers on whom the cost burden of conversion will fall more heavily than on others in the economy. It must also give consumers a commitment that it will firmly and actively protect them against the kind of rip-off I have described that is possible during the course of metric conversion.

I want to recognize the useful work of the Metric Commission and, in particular, the work of the volunteer members from many industry and community groups on its sector committees. But many small businessmen and workers, as well as many individual Canadians, do not belong to any of the organizations represented on the sector committees. It is not the Metric Commission and those committees which will be held accountable by the Canadian public for the effects and costs on them of metric conversion. Instead, the public will look to its elected members of parliament.

Therefore the ultimate responsibility to the people of Canada as a whole for this kind of decision is that of the members of parliament. Therefore members have a responsibility to have the government carry out metric conversion in ways that effectively deal with the problems I have outlined. In doing so the government will be carrying out the general commitment expected of it on this by Canadians, a commitment which, if I may conclude as I began, can be expressed in the words of the Old Testament, in Deuteronomy, as that of providing "a perfect and just weight—a perfect and just measure" or, in the words of the New Testament, in Luke, as "good measure pressed down and running over."

Ensuring that the government carries out this commitment should be the objective of all in this House as they consider and decide on this important resolution on metric conversion.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege to speak after the hon. member for Windsor West (Mr. Gray). Let me say amen to many of the things he said. I listened with interest to what many participating in this debate said, and will not repeat their ideas. Let me make this point, however. I am not alone in being concerned about metric conversion. Many of our people are worried by it. Many senior citizens worry about metric conversion. A lady who came to my office this past week end wanted to know about metric conversion, and wanted to submit a petition to the minister which would express the concern of the group she represents. I told her that unless the petition was presented by Sunday it would be too late, as this measure would be before the House early this week. Metric conversion in Canada would be as certain as death and taxes. I think we know how certain death and taxes are.

After a certain date, temperatures will be announced on the radio and television in degrees celsius. Many people will not know how to convert degrees celsius into degrees Fahrenheit, at least not for a while. Therefore I think that the temperature should be announced in degrees celsius and Fahrenheit until people get used to the metric scale. I talked with my honoured and knowledgeable colleague in the medical profession and said, "I know my normal temperature in degrees Fahrenheit is 98.3; what is it in degrees celsius?" He stopped to think, then said he thought it was 38.3. I ask my colleague, the hon. member for Athabasca (Mr. Yewchuk), am I right?

Mr. Yewchuk: The hon. member is pretty close.

Mr. Darling: When I was a student many years ago arithmetic was probably my worst subject. I see my leader smiling at me. Perhaps he thinks I was bad in many more subjects. Be that as it may, I am told that sums in the metric system will be much easier to do, so there is some consolation for those who are poor at arithmetic. I am told that anybody under the age of ten will not have trouble with the metric system. My six-year-old grandson is already learning in the metric system and having more fun than I ever had.

Small businessmen in Canada worry about how much conversion will cost in dollars and cents. The whole question boils down to this: are they to make a little money from their operation, or are they to pour money into a conversion process which they may not be able to recoup? The previous speaker and others mentioned mechanics tools. Mechanics will be allowed up to $150 for conversion. That is not enough. I hope the minister will consider introducing a training program and pay mechanics for time they must take off work in order to learn the new system.

As other speakers have mentioned, it will cost merchants a great deal to convert scales to metric measurement. Recently I had lunch with a man who owns a fair-sized I.G.A. store in Ottawa. He said he had bought a pair of scales for $9,000. He said that it would cost at least $4,000 to convert them. I thought he would still be ahead by $5,000, but he said no, he would have to scrap those scales and buy a new set. I am told that it will cost 28,000 odd retailers around $50 million to convert, and that is a conservative estimate. We know that much of the conversion cost will be tax deductible. Nevertheless, many small corner store businessmen are not making enough to pay taxes, let alone enough to pay for conversion. Perhaps the minister would consider giving such people a grant, to enable them to convert when the time comes.

We are told that the United States is embarked on a conversion program but that it is proceeding more slowly than we are. In my view both countries should convert at the same pace. It is well known that over 69 per cent of our trade is with the United States. Therefore we should not move more quickly than that country in converting to the metric system, or we may be the losers. An hon. member mentioned that conversion bills have come before Congress for the past three years, but none has passed so far. Certainly conversion has been discussed in that country, and they know it is coming.

I am a real estate broker and metric conversion will open a can of worms for my profession. It will be extremely difficult to convert measurements on present land deeds to the metric system. I admit that the idea of inches, feet, chains and rods may be complicated. However, if we start now to convert all the deeds in Canada which are on the old basis, they probably will not all be converted for 500 years. Not too many of us will be around then. However, this is something which must be seriously considered.

● (2100)

I believe that 94 per cent of the population has now converted to the metric system. That figure was staggering to me. As I understand it, one half of the world trade in dollars is still on the English unit system. Granted, a tremendous amount of that trade is with the United States.

This brings me to another point. Previous speakers have mentioned the cost of conversion and the fact that a cost benefit for Canada has not been done. We do know that this will cost the Canadian taxpayer a great sum.

I understand the United States National Bureau of Standards did a cost benefit analysis. The net cost will be $45 million. That is a lot of money. There has been criticism of that figure. Even if they cut $10 million off the figure, it would still be a lot of money.

The case has not been proved in Canada as to the exact dollar benefits we will get. It has been pointed out that Canadian manufacturing firms which are now on the English unit have an advantage over our competitors in those countries on the metric system. When we eventually convert to the metric system Canadian manufacturers will lose that advantage. That is another point we must consider.

Metric conversion is not a substitute for Canadian ownership which is necessary to export our manufactured goods. I know there is a lot to be said for an against conversion to the metric system, and I know we have to face up to this.

I understand the American Metric Association will be meeting at nine o'clock tomorrow in Washington to try to come to grips with this. The consumer goods industries in the United States will not move until there is legislation. We should be looking to the United States to see what legislation is put forward. There must be a benefit to the Canadian consumer, and this must be demonstrated in dollar terms.

I hope, as previous speakers have suggested, that the government will give consideration to introducing more than just a resolution. As was mentioned earlier, a bill on the metric system should be introduced so that this whole matter can be discussed both in committee and in the House. When this is done we can then move forward.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I wish to take this opportunity to criticize the government for proceeding on this matter by way of resolution. This has been done by at least the two previous speakers, including a former cabinet minister, the hon. member for Windsor West (Mr. Gray). It seems that whenever the government gets into a potentially difficult political situation, it tends to proceed by way of resolution to get out of its political problems.

We are supposed to be approving the activities of the Metric Commission which was approved by order-in-council. Except for some remarks that were made in 1970 when a white paper proposing something along this line was tabled, this House of Commons has not had anything to say about the establishment of that commission. I suggest that what has grown out of that bears no resemblance to what one could reasonably have expected to be the policy of the government at that time. The order-in-council set up the Metric Commission to advise the government on how to proceed with the metrication of weights and measures in this country. I do not think that order-in-council would necessarily have led anyone to believe that legislation to protect the people of this country in the process of establishing metrication would never be produced.

We have before us a very brief resolution. It is to the effect that we approve the government's program of guideline dates for metric conversion. If this resolution is approved, and if the other place goes along with it, I can well imagine this government saying that this parliament generally approves of everything it has done and will do over the next four, five or six years in the implementation of metrication in this country, without any further reference to this House or the other place.

It seems this government is acting as the lackey of multinational corporations. I am surprised my friends to the left did not notice that fact because they generally go after the government whenever it does anything that might be favourable to the multinational corporations. We seem to be proceeding under assumption that what is good for General Motors is good for Canada. Those pushing hardest for this program are the members of the Canadian Manufacturers Association, which is bankrolled largely by General Motors and other manufacturing companies. I do not necessarily follow that philosophy. I generally agree with the policy of the Canadian Manufacturers Association, but not with regard to what they are proposing in the field of metrication.

We must remember that we are a part of a very large market, the North America continent. I believe it is of utmost importance to note what is happening in the United States. Attempts have been made in that country to pass legislation which would protect various elements of its economy. For one reason or another, they have not met with success. However, they are at least attempting to have legislation. Last year a bill which would have brought the process along faster was defeated in congress.

It is interesting to note that Mr. Gossage, the chairman of the Metric Commission, is not here today. It may be of interest to know where he is. I believe he is in Washington. I do not know whether he is getting orders or giving them. It appears that this government's action and proposals will be used as a lever to advance metrication in the United States because of our close ties, particularly in the automobile manufacturing industry.

● (2110)

I really do not feel amenable to being used as a tool to assist a process which is happening in the United States. In any event, even though that bill was defeated in the U.S. Congress, another effort is presently being made under the auspices of Senator Pell of Rhode Island. It does not seem to be making fast headway, but at least this legislation provides for reports to be made on the general progress which is going on in the area of conversion.

My hon. friend from Halton-Wentworth said the Commission has spent some $7 million. To be fair, I suppose it has not spent all that money yet, but it has probably spent in excess of $4 million. I should like to see some accounting of the manner in which these funds have been spent.

So far what we have seen looks like an ineffective promotion campaign. Canadians have certainly not been told what the effect of the program is going to be. The government is remiss in failing to ensure that the Commission should report to the House of Commons on its activities. It seems inconceivable that so large a sum could be spent when the only public result is the announcement that temperatures will be given in celsius instead of fahrenheit in two weeks time. I have certainly heard no explanation as to the way in which the money has been spent.

Another feature of Senator Pell's bill is that provision is made for a regular report on the results and benefits of metrication. The government has left a gaping hole in this area. We have been given no estimate of what the cost of metrication will be to the country. Here we are, in a period of double digit inflation, and nobody appears to give a damn about what the cost will be. I would say this applies to practically everybody in the House of Commons because there seems to be no dedicated will to prevent the government from proceeding in this way. I hope there will be some opposition from this side.

The minister says he will be giving assistance to small businessmen who need it, though he did not spell out the details. I am sure that had we gone ahead with the government's original proposal no such consideration would have been shown. I should like to see more active opposition to this system of government by regulation. I think the opposition has been remiss in this respect. I hope it will change its view and seek to convince the government of the wisdom of trying to govern the country by means of laws, not regulations. It is true the minister has given us certain assurances, but his words are not worth a tinker's damn when it comes to protecting the people when the account is finally presented in respect to this process.

The United States bill also proposes that the commission envisaged in that country should have power to recommend additional legislation which may be required from time to time to solve the problems arising over the imposition of metrication. This is not a simple procedure, Madam Speaker. After all this deals with concepts. We all know that in a country such as ours, where there are two official languages, many difficulties arise because words which express a certain notion in one language do not, on translation, express the same notion in the other. When one is dealing in concepts it takes a special understanding if one is to get the idea across. When one is dealing in weights and measures, one is dealing in concepts. I have been listening to these celsius temperatures on the radio for some months now—maybe I am a slow learner—I am learning French and possibly I am slow at that—but I am having the same difficulty in getting a true idea of what celsius figures really mean.

Yesterday morning I looked at the temperature on the cablevision station to find out how cold it was. I saw the figures O1 but I did not notice the "c" for celsius. I concluded it was going to be cool outside so I did not bother to put on my rubbers. On my way to church I met with a bunch of slush because it was above freezing point. This is the sort of thing that can happen.

In any event, there ought to have been an analysis of the economic impact of this proposal upon the country. Why give a blank cheque to the type of government we have over there? We do not know what the cost will be. It has been estimated that the cost to the United States will be between $40 and $45 billion before the process is completed there. If the normal relationship applies, and our costs are 10 per cent of theirs, Canada will be faced with a bill of between $4 billion and $4.5 billion.

We heard a lot of talk about an Arctic pipeline to bring gas from the north. This is regarded as a tremendous undertaking. The Berger Commission will be sitting in Yellowknife for God knows how long, hearing representations of one kind or another. The National Energy Board or it agents, or those interested in the undertaking will spend millions of dollars before a decision is made about what will happen up there. That pipeline, I remind hon. members, is estimated to cost around $5 billion if the Maple Leaf route is followed. But a decision to proceed is subject to all sorts of complex procedures.

Here we are dealing with a proposal which could exert an untold economic impact on the country, and the minister comes along asking parliament in effect to give him a blank cheque. "Just approve what we are doing," he says. I cannot understand a government wishing to proceed in this way, and I cannot understand an opposition allowing a government to get off so easily.

As I said, there is a bill being presented in the U.S. Congress having to do with this subject. There is also supposed to be an administration bill presented by the government of the United States. So evidently the U.S. government feels it should proceed by way of legislation. Yet no such bill has been introduced in Canada. Why are we in such a rush to get ahead of the Americans in this regard if we are not acting as a tool for someone else to push the Americans along? Again, I would ask, what is Mr. Gossage doing in Washington tonight and tomorrow? I would also question what is being done with all the money that this commission has spent and is proposing to spend during the next year, totalling some $7 million, other than promoting the interests of large, multinational, manufacturing corporations.

● (2120)

The hon. member for Halton-Wentworth (Mr. Kempling) said that no minister of the Crown had said anything about this matter, but again I would have to correct him to some extent. The Minister of Agriculture (Mr. Whelan), who was here earlier this afternoon when the hon. member said that, did make a statement about metrication, and he said it was going to cost agriculture a lot of money. So there is evidence from that side. I wish the Minister of Industry, Trade and Commerce (Mr. Gillespie) would pay a little more attention to the Minister of Agriculture when he makes representations about this matter, but apparently the Minister of Agriculture is being ignored by the rest of the cabinet.

The former minister, the hon. member for Windsor West, made reference to rip-offs and the fact that it would be easy for unscrupulous merchants to profiteer from metrication at the expense of the uninformed when the guidelines become effective. I think we must look at the experience of the United Kingdom in this regard, because in fact that is what happened there. Why is the government sponsoring a program that can make this possible,

and why has it made no effort at all to examine the experience of other countries and find out what happened there? We need some protection in this country against unscrupulous people who have shown the capacity to use metrication to bilk the public.

The government should bring in a bill, which would then make the subject of metrication a wide open debate in parliament. It would attract publicity and would focus the attention of the public on the issue. I admit that metrication has got to come; we cannot just remain an island by ourselves. I think it is a good thing, and all educators agree that it will be easier to learn mathematics and the sciences through the use of the decimal system. I am an exponent of the adoption of this system, but I am certainly not an exponent of having it adopted at any price; as I say, the people of this country deserve some protection in this regard.

What is required is proper debate of the question. I suppose the minister is surprised that we are still talking about this subject, that we have spent one whole day discussing a program that could cost $4.5 billion before it is completed. This seems to me to be a funny attitude to take. Even though the minister might feel that we are wasting time, I think he should take a proper approach and welcome a full debate of the issue in the House of Commons. This would serve as an educational tool, because there is going to be a great deal of resistance to metrication by people across the country.

I suppose I should not be advising the minister on how to look at this politically, but I can see not too far down the road another election in about 1978, which will be the crunch year for implementing the guidelines on metrication. It is then that people will observe that something is happening, and they are not going to like it. Naturally, no one likes change, that is human nature, so some time should be spent on education. This is one of my criticisms of this ineffective commission that was appointed two or three years ago—it has not done any sort of job of educating. It has conducted a glossy type of promotional campaign but very little real education has been involved. This is why I should have thought that the minister would welcome the opportunity for a wide ranging debate to educate the people of this country.

This brings to my mind another factor that is generally overlooked by the members sitting opposite. They seem to think that this country revolves absolutely around the cities of Toronto, Ottawa and Montreal, that there is nothing further east or further west of the golden triangle. To them, one day's debate in the House of Commons is a pretty big thing, and they have no conception of the fact that it takes time to get a message across to the people of Canada. I am just amazed that they adopt this attitude in regard to what essentially is a very fundamental and important matter to the economy of this country.

Secondly, a bill would provide the opportunity to examine the process of metric conversion in the House, and also perhaps in a committee of the other place. This would mean that witnesses could be questioned and might be able to offer something constructive to the process. Instead, we have appointed this very small commission which I guess has had a lot of volunteer help in its sector committees. Generally speaking it has not taken the public into its confidence at all, but has just concentrated upon interested people in various trades and fields of manufacturing endeavour.

Thirdly, if instead of proceeding by resolution we took the legislative route to which we are accustomed here, it would provide a forum for interested parties with legitimate complaints, parties that I feel under our system should be given the opportunity to be heard.

Fourthly, as I have already said, this resolution does not bind the government in any way, shape or form. The minuscule assurances that the minister offered in his remarks this afternoon bind no one in the future. In addition, there is no way in which this resolution can be amended in any meaningful form. We are presented with a resolution which we can either vote for or vote against. I spent some time this afternoon discussing with others the possibility of framing an amendment that would attempt to focus on the need for legislation, but I found that there is practically no amendment that is in order that could be proposed. In other words, we are stuck with a proposal of the government, and with no room for amendment.

If the government had put a bill before the House there would be all sorts of opportunities to change and improve it. I have heard it said by many Liberals that this is one of the reasons why they are over there and we are where we are. They say we always take so much time examining the shortcomings of government legislation and proposing very constructive amendments to it that, by the time the legislation gets through, it is in such good shape that the Liberals get the credit for it, and so they stay where they are. They think we would be much better off if we did not criticize so much but took the legislation as initially offered. The fact is that for the proper orderliness of the House, and to get the best out of the House of Commons, proposals should be put before us which can be improved, and improvements can only be made by amendment. The silly resolution before us is just a blank cheque that is not subject to amendment.

As I said earlier, Madam Speaker, it is very important that we stay reasonably close to what is happening in the United States in regard to metrication. After all, almost 70 per cent of our trade is with the United States which, at least at the official level, is lagging behind this country in the introduction of metrication.

● (2130)

As far as the other 30 per cent of our exports are concerned, as said earlier by the hon. member for Winnipeg South Centre (Mr. McKenzie), only 8 per cent are subject to this business of metrication. So instead of making it easier for a large portion of our exports to enter into foreign markets what is going to happen is that we will wipe out this non-tariff barrier we now enjoy, and make it much easier for foreign countries which have had metrication for a long time and are advanced in that area to compete with our own industries.

This is why I believe General Motors and the large multi-national manufacturing companies want metrication imposed here as soon as possible, so they can then go abroad and obtain their components at much more competitive prices than they can here in Canada. All we would be doing by metrication without proper ground rules

would be subjecting our small manufacturers to much tougher competition from abroad. There should be legislation to protect our small business firms.

Foreign owned companies can increase their markets at the expense of Canadian owned small businesses through the metrication process. For example, Canada already imports more than half its machinery and equipment. We do not want metrication just to create a larger market for machinery imports from other parts of the world such as Sweden and the European Common Market. Conversion could increase the cost of production and supply in Canada, placing Canadian produced products at an even greater disadvantage on the Canadian market.

One objective of legislation would be to get Canadian owned small businesses through the metric process without financial hardship, so that Canadians will not only import less machinery and products but in fact will be increasingly world competitive and export oriented.

During the process of metrication there will be a period of overlap during which small manufacturing businesses will have to stock two inventories, one in metric measurement and one in the present measurement. That additional inventory will not be bringing in additional business. This will involve a non-productive expense, and bankers are not generally agreeable to lending money on things that are not turned over quickly. Whatever money is loaned will carry an interest rate that can only increase the cost of doing business.

It should be set out clearly what responsibility the government is willing to accept. The minister suggested that the Industrial Development Bank would help people get over this process. This again involves loans, and someone will have to bear the expense involved. There should be a system of grants to assist businesses in this conversion process.

There are innumerable other small headaches that will occur as a result of conversion. What will happen to existing equipment? How long are inventories for repairs going to be maintained, and who is going to pay the cost? Who is to guarantee that materials will even be available? Speaking as a lawyer who has been engaged in a fair amount of land conveyancing, it strikes me as being a big job to convert all our legal descriptions in the various land titles and registry offices into whatever acres are to become under metrication. It is probably fairly simple to convert a quarter section or a section of land, but what about the small parcels? I can think of untold things that will cause inconvenience and expense, and we do not know whether these things have been considered by the government.

I cannot state strongly enough that the government is proceeding in the wrong way with this conversion. This should not be done by resolution, which is just a blank cheque, but rather by legislation so we can see the actual results for the people we represent. I cannot support the government in its aim to have metrication take place by executive action without legislation. I would ask members of the House to slow the government down in its apparent haste to achieve its present objective.

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, a great deal of interesting and important information has been placed before the House in the course of this debate. I do not propose that I am of a calibre to enlarge on the scientific era in which we exist, or the scientific evidence which has been placed before us, both for and against the metric system, by those who would discuss it. But there are a few things I do know about it, and I am acquainted with a few of its hardships.

There are three men I should like to see in this House at this moment as I think two of them would understand what I want to say, and the third might then understand better. They are the Minister of Agriculture (Mr. Whelan), the Minister of Veterans Affairs (Mr. MacDonald), who was a farmer, and the Prime Minister (Mr. Trudeau), who I think has very little knowledge or understanding of the hardships that uncontrolled metrication will bring about at the farming level.

There are certain areas where one can define with great accuracy the cost of conversion of a particular plant in order to make a new product in metric dimensions. That expense can be calculated. However, for the individual who uses a piece of machinery for decades—who has given that man consideration? There is a man who sits in this House who discussed with me the use of a tractor which is now some 30 years old. I would ask where that man is going to obtain parts for that tractor, made with English measurements some 30 years before metrication? What guarantee have we that these things will be available?

● (2140)

For years to come it will be absolutely essential that any farmer must have in his possession two sets of tools, and two sets of all the nuts and bolts he might ever require. He will have to carry them around in the field with him every day, because if he makes any effort to use metric tools on the nuts and bolts made by English measurement he will spoil both the nuts and bolts and the tools. There is too much play, and therefore they destroy one another.

Now if we go to the fishing industry, the lumber industry or the sawmill industry we find ourselves in virtually the same situation. It will mean that if they cannot get bolts for their equipment they will have to buy new equipment or take the old equipment to the machine shop and have it either filled in, bored out, or re-threaded to take the new bolts, or it may have to be drilled out in order that the bolts will fit. In machinery there is no tolerance for a misfit. There is no way one can say that a bolt can be within a millimetre of the required measurement because it will leave play in the machinery which will wear and destroy the whole structure of the machine.

The Prime Minister should remember that this is not simply a matter of changing the weigh structure of a scale. It is not simply a matter of changing die castings in a single factory. This can be done at a minimum of cost only if there is legislation to protect those against whom the long-range effects will cost hundreds of millions of dollars in this country. The amount has never yet been calculated by the three wise men from the east who act as the committee for the guidance of the metric system conversion under this government as it is being introduced in this country.

I plead with the government to have mercy on those who cannot convert today or tomorrow. I plead that there

be economic mercy in respect of these people because they need it. I plead that the fact be considered that it is not at all impossible in a seeding operation that there might be two machines in tandem, one made by the metric system and the other made by the English system, towed by a tractor made by the metric system. One definitely would need two sets of tools.

One farmer who is extremely well equipped with tools estimated that the minimum expense in his operation alone for the purchase of two sets of tools which he will need in the next five years will be not less than $1,500. There is a multitude of farmers in this country who will each spend $1,500 or more to re-equip their machine shops and tool cases. This expense has never been mentioned. There is a possibility of a reasonable evolution, but unless we co-ordinate this step by step, and move by move with the greatest trading partner we have, the United States, we will cost ourselves a great deal more money than has been mentioned by any speaker in this House today, or in any forecast by any government.

The cabinet and the Minister of Industry, Trade and Commerce (Mr. Gillespie) should not think just of shifting the beam of the scale. That is a small and final job. They should think of the guy who will live with change and inconvenience for decades. They should consider that he will have some equipment which is highly utilitarian around him which he cannot afford to replace for decades to come. I say: give us legislation and a plan; do not ask us to sign a blank cheque. I appeal to the government for once to please move on behalf of the little guy, not the big guy, the little guy in the woods and in the shop.

Hon. Marcel Lambert (Edmonton West): Madam Speaker, this evening we have heard a number of my colleagues discuss this proposal of the government. Not one objected to the metric system as such, or expressed doubt that we should have the metric system here in Canada. They have quarrelled, however, with the method by which we are going about this from the government's point of view. They do not criticize the work of the Metric Commission which is going on at the present time.

I must say I agree with my colleagues, the hon. member for Palliser (Mr. Schumacher), the hon. member for Carleton-Charlotte (Mr. McCain) and the hon. member for Windsor West (Mr. Gray), and many others who have spoken today, when they say that conversion to the metric system has such far-sweeping consequences that it must be done by legislation. There are many people who will have to be educated in respect of the practicality of the idea. Since man inherently hates change there will be resistance to change. We can imagine what will happen after April 1 when people will hear what the temperature is on their radios and TV sets only in metric or celsius degrees.

Let me say in all fairness that there are ways of doing these things. I have just returned from Australia where they have chosen the castor oil method, as I would call it. There was a straight implementation; bang, there it was. They have had it for a little over a year. I did not hear one complaint about it. Instead of having a five furlong horse race they have a race of 12 metres. I am sure more people understand what 12 metres are than what five furlongs are, because outside of the racing fraternity you could ask anyone what a furlong is and he would ask, "What is that?" So, there we are. I do not think there will be any difficulty about this in due course.

However, in addition to what my colleagues have said about the necessity of legislation—and I will insist upon that and before I close my remarks I will introduce an amendment to that effect—we approve the guideline dates but subject to the introduction of legislation to govern the conversion to the metric system. There is no way in which we can rely upon statements of ministers in the House. Are decisions to be based upon some supplementary estimates somewhere? What integrity is there in that? Madam Speaker, if you want a reference to statements by ministers and the ability to rely upon them, I invite you to read the High Court of Justice decision in Ontario in the case of the Roman Corporation Limited and others versus Hudson-Bay Oil and Gas Company and others, including the Prime Minister and the then Minister of Energy, Mines and Resources.

● (2150)

The minister, or someone on his behalf, said that there would be some sort of small business assistance program with regard to metric conversion, and that there might be loans from IDB or some other body. That statement of the minister's is not worth a tinker's damn. I am not suggesting that that is not a bona fide statement, but there is nothing at all that commits the government to that statement, except perhaps for a political and moral commitment, but under the law it is just as if it were written in sand before a thunderstorm; it would disappear.

Certainly in the United States conversion is going forward, and I do not have quite the same fears as does my colleague, the hon. member for Palliser. I was in Washington a couple of months ago and I read in their papers that in certain schools they have already started to teach the metric system only in the pre-school grade and in the first year of school. In the other grades they teach both systems. They are phasing out the imperial unit system over a period of time. I have seen the metric system signs on their highways.

I invite government members who have not been in the House earlier this evening to read the speech of the former cabinet member, the hon. member for Windsor West, in *Hansard* in which he calls precisely for what we are calling, namely, legislation which will serve to assist small business concerns in making their conversion, either by loans or by grants, whatever it may be, and in defining certain guidelines of conduct. As the hon. member for Windsor West pointed out, the conversion from a quart to a litre, but at the same price, means an increase of 12 per cent to 14 per cent in actual profit.

There must be a wide ranging debate of the educational aspect, and agreement reached with the provinces with regard to the registration of land. At the moment—and I think the minister would quite candidly admit it—there is not one iota of agreement with any province with regard to land registry systems in any of the provinces and on the measurements whereby land shall be described legally.

How about that area in the west under the Torrens system, the compulsory land registration system based on the rectangular one mile by two miles, divided by road-

ways that are 66 feet apart? True enough, they happen to be 20 metres apart. Road allowances in western Canada fortunately will be 20 metres apart, but who will compel province A or B to convert to these guidelines within a timetable unless there is pre-arranged and pre-negotiated legislation? That is the point.

As a lawyer from western Canada I am appalled at the government going forward with this form of resolution and the House approving the guidelines without any legislation being put before us. How will the government bind, for instance, the government of the province of Alberta with regard to the conversion of the land registry system—by force of persuasion? Will it convert the province of Saskatchewan in the same way?

No one out there will oppose the idea of converting to the metric system. I know it is coming, and personally I welcome it. I think it is a much sounder system than the system under which we measure a length of cloth from the end of the hand of some long deceased monarch to the tip of his ear, or measure the height of a horse in hands, being the measure across a man's four knuckles. All of these things do not make sense. Of course it does not make sense to be out of step with the rest of the world. But the way the government is going about converting to the metric system could not be a more scatterbrained, ineffective or unlawful way of proceeding. Therefore, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That the motion be amended by adding thereto, next after the word "conversion", the following:

"but subject to legislative enactment of such a program by parliament".

I have copies of the amendment in both English and French.

The Acting Speaker (Mrs. Morin): Without any prejudice to the decision, the Chair will reserve judgment on the acceptability of this amendment from a procedural point of view, and render judgment at a later time.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. I wonder if the government House leader could confirm that tomorrow we will be dealing with the Petro-Canada legislation?

Mr. Sharp: Mr. Speaker, the government intends to proceed at the opening of government orders tomorrow with Bill C-8 dealing with Petro-Canada.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

EXTERNAL AFFAIRS—NIGER—ALLEGATION PEOPLE STARVING IN SPITE OF AVAILABILITY OF CANADIAN GRAIN—MEASURES TO CONTROL AID PROGRAM

Mr. Douglas Roche (Edmonton-Strathcona): Madam Speaker, on February 20 I asked the Secretary of State for External Affairs (Mr. MacEachen) if he had investigated a situation in the African country of Niger where bands of nomads are dying of starvation in a camp located ten feet away from the barbed wire compound containing a warehouse jammed with Canadian grain which is only available to local people with money to pay for it. The minister said that he had not conducted any such investigation but that he would look into this particular case and would be happy to follow it up.

I regret that it is now almost a month since the minister made that undertaking, but I will not use up seven valuable minutes raising hell over the fact that the question had not been given more prompt attention. Instead I will only indicate to you, Madam Speaker, my regret that this is but one illustration of the questions that arise concerning the entire CIDA program that need to be answered in order that the people of Canada can be reassured that their money is being well spent. I assure the minister that my information is very reliable concerning the particular incident that I cited. I would be pleased to discuss it with the minister privately if I could be of assistance, but he has not even asked.

I wish to return in a couple of moments to the question of bipartisan work in this chamber with respect to foreign aid and the development of Canada's international assistance program. The people of Canada today hear a good deal about food not getting through to the proper recipients in Bangladesh and certain African countries, and I think that we need to reassure them that proper steps are being taken to block off profiteering and black marketing which inevitably occur in recipient countries. Moreover, the Canadian people need to be reassured that food is not going to be used to prop up political regimes in recipient countries, and there have been instances where that has been the case.

● (2200)

That is really why the question I raised over this incident is an extremely important one. It is concerned not only with the distribution of Canada's food assistance abroad, important as that is, but it brings us to a consideration of all kinds of Canadian international assistance.

We have been hearing from the Secretary of State for External Affairs of the new phase Canada is going to enter with respect to its international assitance program. He brought in a report which he presented to the Standing Committee on External Affairs and National Defence last week in which he gave some detail about what I consider an important shift in policy by the Canadian government, in which the minister has indicated that he is moving the foreign policy of Canada into a new phase where, it is frankly stated, Canada must consider ways and means to expand our economic relations with the third world beyond aid. The new phrase we must put into the minds of the Canadian people for an understanding of this situation is "beyond aid".

The interlocking set of global problems, the monetary instability, inflation, high food prices, and sharply increasing energy costs are at the root of the growing disparity between the majority of the world's people who are poor, and the minority who are rich.

Therefore the government has set up an interdepartmental committee headed by Mr. Robinson, who is the under Secretary of State for External Affairs, to bring together the various facets of Canada's international assistance program which include CIDA and food aid but which will go on to consider questions of trade and monetary reform as called for by the United Nations.

There will be the seventh special session of the U.N. General Assembly in September, at which I hope Canada will play a significant part. The very distinguished Canadian, Mr. Maurice Strong, who heads the United Nations environmental program, and who was a former head of CIDA, only yesterday came before the Standing Committee on External Affairs and National Defence where he spoke movingly about his hopes for Canada's participation in the special session next September. He put in a nutshell the expectations and the goal which we as Canadians and, indeed, all the people of the developed countries should set as a minimum for the seventh special session. That goal is that there would be enough for every human being on earth in terms of food, shelter and clothing. That is a minimum need to protect human decency and dignity. With Mr. Strong, Madam Speaker, I say that anything less that that minimum goal is declaring bankruptcy in our civilization.

I have said that I believe this to be so important that we ought to go beyond politics in this House for a truly bipartisan effort to help Canada improve its over-all international development picture, which is why I have suggested that a subcommittee of the external affairs committee be set up to deal with a comprehensive policy for international development, and that perhaps it might work with the interdepartmental committee of officials who are working on this very matter. Indeed the Secretary of State for External Affairs said at the committee last week that he would not oppose the setting up of a subcommittee. When I raised a question in the House today, the Prime Minister (Mr. Trudeau) said that he sincerely welcomed any input by all members of this House into the improvement of the international development program of Canada.

I say to you, Madam Speaker, that we must be concerned about the sort of incident in Niger to which I alluded. We must reassure the Canadian people that these kinds of malpractices are being corrected, in order that the Canadian people will go on supporting CIDA, and its substantial budget for this year, and consider with open minds how we can enlarge our international development program. I say sincerely—and my remark is directed ultimately to the Prime Minister, and to the hon. member who will speak on behalf of the government—that we should work together on this program for the good of Canada and for the sake of human decency in the world.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, may I reassure the hon. member for Edmonton-Strathcona (Mr. Roche) that I and other members on my side of the House share his concern for developing countries of the third world. We think our efforts should include direct and multilateral aid, and that Canada has a part to play in making contributions to international and global organizations, and should, within those organizations, strive for a restructuring of trade, monetary aid, and other aspects of economics in order to provide a better break for the third world.

[Mr. Roche.]

With respect to the question the hon. member raised tonight, I can assure him that, to the best of our knowledge, the nomads gathered in the refugee camps in Niger following the terrible drought in the past several years are not dying of hunger. They are, on the contrary, being taken care of by the Niger government, which is trying either to integrate them into a more sedentary way of life or, where possible, to enable them to resume their traditional way of life.

As for the second part of the hon. member's question, it is true that food depots are sometimes found close to certain refugee camps, for logistical reasons that are easy to understand.

Finally, the agreement between Canada and Niger is similar to bilateral agreements concerning food aid with other countries, in that the recipient country can either give or sell to local populations the products which we sent it. If the country decides to sell our food aid for reasons having to do with local market conditions or other considerations, it is authorized to do so on the condition that the revenues thus made be spent on development projects. Nothing leads us to believe that Niger is not respecting this agreement; the CIDA representative in Niamey reiterated the terms of this agreement last January to the Minister of External Affairs of Niger.

CONSUMER AFFAIRS—BILINGUAL LABELLING—REQUEST FOR CONSULTATION WITH BUSINESSMEN—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, when I first raised in this House a couple of weeks ago the question of Canada's new bilingual labelling laws, the minister said he would be making some changes. Although I, personally, did not receive notification of exactly what the minister was to do, I learned of his position from a newspaper report.

An article appearing in last Saturday's Winnipeg *Tribune* carries the headline, "Ouellet softens stand on new labelling laws." According to the article:

> A new federal law regulating the labels on all merchandise sold in Canada, has been deemed too restrictive by André Ouellet, Minister of Consumer and Corporate Affairs.
>
> Bill C-180, scheduled to become effective Sept. 1, 1975, requires that all products sold in Canada display the common name of the item in both English and French, and that any measurements be given in metric units.
>
> After hearing complaints from small manufacturing firms and importers of goods made outside the country, Mr. Ouellet agreed that strict enforcement of the new law would create significant problems, resulting in undue hardship for some businesses.

I want to be on record as being concerned about this question. I hope the minister fully understands the many problems many small manufacturers across Canada will face if the program is implemented, and fully understands

just how inflationary the labelling laws will be if they are enforced.

The Winnipeg Chamber of Commerce presented a good case to the minister. The news report to which I just referred alludes to the brief presented by the Winnipeg Chamber of Commerce, of which the minister is aware. May I draw attention to an item which appears in that brief. The brief says in part:

● (2210)

As we understand it, it is possible that the Quebec Bill 22 may be tested before the courts and this whole subject resolved, but we are concerned that if in good faith our members design packaging to comply with the federal act and Bill 22 is upheld in the courts, particularly as it pertains to packaging legislation, we could be faced with another expensive redesign. In the circumstances, because of this uncertainty, we feel it would be prudent of the federal government to delay the implementation of Bill C-180 until this whole question of provincial rights in the area of consumer packaging has been clarified. We feel it is only fair that the federal government recognize that it would be impossible for our members to face the possibility of provincial legislation requiring different packaging requirements than does the federal act.

I now wish to quote from Canada's audio and home entertainment industry publication, "The Audio Retailer," as follows:

The application of Quebec's controversial new official language act could seriously affect the supply of audio goods in this province. Unless audio hardware is excluded from the provision of the act, most suppliers will withdraw from the Quebec market, according to a telephone survey of several Canadian distributors recently conducted by *The Audio Retailer*.

Products sold in Quebec "must be labelled in French, except within certain limits provided by regulation," states Section 34 of Bill 22. The audio industry must persuade the government to include hardware within these limits. Otherwise, in the opinion of Eric Blais, director of the Ministry of Education's French Language Office in Montreal, the act will be read to mean that front panels and control knobs, as well as warranties and instruction books, must be predominantly in French . . .

"It's hard enough to get foreign manufacturers to meet CSA specifications, let alone make special panels," said Graham Bousfield of ReVox, and Hank Westerlaken of Panasonic guessed that the cost per unit of labelling a top-end line of receivers in French could be as high as $200.

Bill 22 is the most divisive piece of legislation that has ever appeared on a federal or provincial statute book. It makes a mockery of the Official Languages Act. It will seriously harm Quebec's economy with its ridiculous bilingual regulations, and make it most difficult for other countries and other parts of Canada to export merchandise to Quebec. The labelling and other aspects make it imperative that the federal government refer the matter to the Supreme Court of Canada to challenge its legality.

I have received many letters on this subject. I would like to point out how it is affecting small businesses in Canada. One of my constituents went to an embroidery shop to get some embroidery liquid. She wrote:

—the shop told me it is no longer available because it is not worthwhile for the American producer to go into bilingual labels for his Canadian trade. The shopkeeper was so irate he took me on a tour of his shop pointing out all sorts of other items no longer available for the same reason.

I received a copy of a letter from a New York manufacturer to a Winnipeg importer. It states:

We would love to continue selling Canada, but there is no way possible that we could unless your government relaxes their regulations as our government has. We do comply with all government regulations in the United States. We therefore regret—

The Acting Speaker (Mrs. Morin): Order. I am sorry to interrupt the hon. member but his time has expired.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I should like to remind the hon. member that the act passed by the Canadian government on packaging and labelling was first discussed in 1970. When it was passed by Parliament in 1971, it was supported by all parties in the House, including that of the hon. member. In other words, it was passed unanimously by the House of Commons.

To mix Bill 22 with that federal act is a great detour taken by the hon. member. I failed to see why the hon. member first wanted to protect the Quebec economy, finally I thought I saw in his remarks that he is against Bill 22. Let us not shuffle the cards: there is no connection between Bill 22 and that act which, in fact, gave ample notice to the parties concerned. The companies which produce goods other than food stuffs have had 18 months to take what steps are required to meet the requirements of the law. The food processing companies have until March 1976 to comply with the legislation, so they will have had a 24-month notice. I think that it is advisable to remind to the hon. member that the legislation will not apply in certain cases where a local manufacturer in a predominantly unilingual area makes a product exclusively used in that area.

I have recognized that some difficulties were encountered in the application of the legislation for imported products and I have explained at length in a press release issued on March 13 last—which can be appended to *Hansard* if hon. members want—the amendments which we are ready to introduce to facilitate the application of the legislation for some companies. More particularly, if the importers of those products are ready to relabel them according to the legislation before selling or despatching them to distributors or retailers, they would be allowed to do so when the products have reached Canada. It will thus be easier to comply with the requirements of the law. This is what I wanted to say, Madam Speaker. If I could obtain the unanimous consent of the House, those few paragraphs could be added to my statement.

The Acting Speaker (Mrs. Morin): It does not seem possible at this time of the day.

Motion agreed to and the House adjourned at 10.20 p.m.

APPENDIX

Program of Guideline dates for metric conversion

The Metric Commission has consulted with representative organizations in all sectors of the Canadian economy in respect to the manner in which conversion to the International System of metric units should proceed and as a result proposes the following four phase program and guideline dates for metric conversion:

An investigation phase, which should reach a peak during 1974, to determine what needs to be done in respect to metric conversion;

A planning phase, which will extend during 1974 and 1975, to identify the sequence in which actions will be performed;

A scheduling phase, during which the timing of these actions will be determined and coordinated and which is to be completed in 1976;

An implementation phase, to commence in some volume in 1975, reach a peak of activity in the period 1977-78 and be substantially completed by 1980 when metric measures will be used by Canadians for all normal commercial and legal purposes.

HOUSE OF COMMONS

Tuesday, March 18, 1975

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

MISCELLANEOUS ESTIMATES

Second report of Standing Committee on Miscellaneous Estimates, in both official languages—Mr. Leblanc (Laurier).

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

* * *

[*English*]

CANADA PENSION PLAN INDEXING PROTECTION ACT

MEASURE TO PROTECT THE INDEXING OF PAYMENTS UNDER THE PLAN

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council) moved for leave to introduce Bill C-383, to protect the indexing of payments made under the Canada Pension Plan.

He said: Mr. Speaker, since January, 1974, when the Canada Pension Plan became fully indexed, a number of anomalies have appeared in various aspects of the plan with the result that the full effect of indexation has often not been passed on to those who are supposed to receive it. This bill is aimed at ensuring that the pensioner, not the insurance company, should benefit from the indexing of payments under the Canada Pension Plan.

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

* * *

FARMERS CREDITORS ARRANGEMENTS ACT

AMENDMENT TO EXTEND BENEFITS TO FARMERS IN ALL PROVINCES

Mr. Leonard C. Jones (Moncton) moved for leave to introduce Bill C-384, to amend the Farmers Creditors Arrangements Act.

He said: The purpose of this bill is simply to give to farmers in other provinces of Canada the benefits which the present bill gives to western farmers.

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

• (1410)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—REQUEST FOR EARLY STATEMENT ON OBJECTIVE IN SEEKING CONSENSUS AND PROGRESS THEREON

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the right hon. Prime Minister on the subject of the consensus among the principal elements of the economy about which the government has been talking since last September. Now that the Prime Minister has devoted some 16 days to seeking the missing link in the European Economic Community, is he prepared to devote even eight days between now and the Easter recess to trying to find a consensus in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker.

Mr. Stanfield: A supplementary question, Mr. Speaker. In view of the concern that the Minister of Finance has been expressing with regard to increasing Canadian costs and settlements and the danger that these hold for Canada—hence the importance he attaches to the consensus—would the right hon. gentleman make a statement in the House or get one of his ministers to make a comprehensive statement in the House before the Easter recess as to what the government is seeking a consensus about and what the progress is?

Mr. Trudeau: Mr. Speaker, I will discuss the question of a possible statement and the timing thereof with the Minister of Finance and let the Leader of the Opposition know.

Mr. Stanfield: One final supplementary question, Mr. Speaker. Having read the letter in the *Globe and Mail* this morning written by the Minister of Agriculture on this subject, and allowing for the fact that any minister of agriculture who works seven days a week will lay an egg from time to time—

Some hon. Members: Oh, oh!

Mr. Stanfield: —I should like the right hon. gentleman to indicate whether he would be prepared to establish a public inquiry so that his ministers, at least, will know what the consensus is all about.

INFLATION—GOVERNMENT VIEW OF POSSIBILITY OF LABOUR AND MANAGEMENT REACHING CONSENSUS ON GUIDELINES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Prime Minister. Now that the meetings between labour, management and the government have been going on for several months in an attempt to reach this consensus, has the Prime Minister any reason for believing that labour and management are any more likely today to reach a consensus on guidelines to control inflation than they were five years ago when the government made the attempt and it fell apart? If the Prime Minister does feel there is reason for such confidence, would he please outline to the House why he so feels?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we are cautiously optimistic about the possibility of bringing the inflationary spiral under control.

Mr. Hees: A further supplementary question, Mr. Speaker. Since the Prime Minister has once again refused to answer a straightforward question, as he did on the results of his European trip yesterday, is the Prime Minister engaged in trying to wrestle this consensus into some form that can be used effectively, as he has been on inflation, and does he feel that he is going to be a little more successful in this wrestling match?

Mr. Trudeau: Mr. Speaker, it seems to me there is a contradiction in terms here in regard to wrestling and consensus. It strikes me—

Mr. Hees: You are getting involved now; you had better stick to the simple stuff.

Mr. Trudeau: If it is true that the Minister of Agriculture has laid an egg, it seems to me that some of it is on the face of the hon. member.

* * *

HARBOURS

HAMILTON HARBOUR COMMISSION—REASON FOR FAILURE TO REAPPOINT JOSEPH LANZA AND DELBERT HICKEY AND INFORMATION ON WHICH DECISION BASED

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Transport. On February 27 the minister told the House of Commons that Joseph Lanza and Delbert Hickey were not reappointed to the Hamilton Harbour Commission because the government was suspicious of their ethical standards. Was the minister's decision based on information provided by the RCMP and, if so, when did he receive that information and when did he act upon it?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there is a lot of confusion about the Hamilton port matter, not amongst hon. members, because they followed it fairly closely, but because the problem was two-fold. There was first the problem of what seemed to be internal corruption, since two persons have been condemned, and then the problem of collusion between the companies which attempted, let us say, to defraud the government. The matter is now before the courts; I therefore can pass no judgment. Mr. Speaker, we delayed appointments because we did not know whether Messrs. Lanza and Hickey were mixed up in the first phase of the internal corruption which allegedly existed at the port of Hamilton.

[*English*]

Mr. Gilbert: Mr. Speaker, the minister said that on February 27 these two men were not reappointed—I did not say appointed, but reappointed—because the government was suspicious about the ethical standards of these men. Was that the reason they were not reappointed and, if so, was this decision based on information received from the RCMP, when did the minister receive the information and when did he act on it? It was the minister who did not reappoint them.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, let me go back to what I was saying. The first steps in the case of the port of Hamilton were taken by the board itself and by the city which withdrew its representative, Mr. Elliot. At that time, because the situation was rather confusing, we ourselves had no evidence against Messrs. Lanza or Hickey. However, because of the circumstances, we decided, instead of suspending them, to appoint them for only six months, to find out exactly what was going on.

[*English*]

HAMILTON HARBOUR COMMISSION—PERSON RECOMMENDING JOSEPH LANZA AND DELBERT HICKEY FOR INITIAL APPOINTMENT

Mr. John Gilbert (Broadview): Mr. Speaker, having regard to the fact that Joseph Lanza and Delbert Hickey were federal appointees to the Hamilton Harbour Commission, were they appointed in the first instance on the recommendation of the Minister of Labour?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, federal appointments to harbour commissions are the responsibility of the Minister of Transport. These people had not been recommended by me, but they were regularly appointed on the recommendation of the Department of Transport.

* * *

PRIME MINISTER'S OFFICE

NUMBER OF JOURNALISTS ACCOMPANYING PRIME MINISTER ON EUROPEAN TRIP—RESPONSIBILITY FOR EXPENSES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Yesterday, from 11 to 11.30 p.m., I watched the televised account of his recent visit to five European countries. The leader of the government was answering questions from reporters who followed him wherever he went. Does the Prime Minister know exactly how many reporters accompanied him during this trip to Europe?

Right Hon. P. E. Trudeau (Prime Minister): I do not know the exact number, Mr. Speaker, but there must have been something like three dozen travelling with me on board the Canadian Armed Forces jet which flew me to Europe. I think, however, that it is customary to charge them the commercial rates to allow them to travel on board this plane. There must certainly have been something like three dozen when we met on board.

● (1420)

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question.

The Prime Minister has just said that they pay the regular fare of commercial flights on armed forces planes. Is the government paying part of those reporters' expenses either for their fare or their accommodation in Europe?

Mr. Trudeau: Mr. Speaker, I would have to check, but as far as I know, the answer is no. I think that reporters not only pay their plane tickets, but also their expenses for hotels, meals and entertainment if any. Mr. Speaker, it is possible, however, that some telegraph services cost something to the government, even if they are paid by the press company involved, but I would have to check. I know that the press gallery has been concerned about the problem and discussed it, I believe, at its last annual meeting.

Mr. Caouette (Témiscamingue): Mr. Speaker, I want to ask a final supplementary question.

I understand that the employers probably pay the travelling expenses of their reporters, As regards the CBC, which is a Crown corporation, do reporters pay their own expenses or does the CBC itself pay them? I would ask the Prime Minister to say whether this would be considered as a bribe or a tip for CBC reporters.

Mr. Trudeau: Mr. Speaker, I must say to the Social Credit leader, that as far as I am concerned, I never had the opportunity to give a bribe or a tip to reporters for the good reports they wrote about me.

* * *

[*English*]

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUPS—POSSIBLE LIMITATION ON DURATION OF STRIKE AND DESIGNATION OF GRAIN WEIGHMEN AS ESSENTIAL

Mr. John A. Fraser (Vancouver South): Mr. Speaker, first of all, through you I should like to welcome back to the House the Minister of Labour—

Some hon. Members: Oh, oh!

Mr. Fraser: —and ask him if he has any magic answers to the difficulties we are facing in his area of responsibility. Could he advise us whether any progress has been made in PSA negotiations and whether since yesterday the government has indicated to the parties any limitation on how long the government is prepared to postpone any action to effect the resumption of grain shipments?

Hon. John C. Munro (Minister of Labour): Mr. Speaker,—

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): I thank the hon. member very much for his good wishes. May I indicate to him that the public service falls under the jurisdiction of my colleague, the President of the Treasury Board, who is prepared to answer the question.

Mr. Fraser: May I ask the President of the Treasury Board whether, under the circumstances, the government has indicated any limitation, as I asked the Minister of Labour, and may I at the same time put another question and ask the minister whether any consideration has been given to the designation as essential of the work of the grain weighmen so that even if the PSA dispute continues, shipments of grain will be resumed. Is the government prepared to take such action?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, on the first part of the question, I must reply that it would not be advisable at this moment to reveal what is being discussed at the negotiation table. As regards the second part of the question, I take good note of the hon. member's suggestion.

[*English*]

Mr. Fraser: I am, of course, not asking that the discussions be revealed to the House, but the country is asking whether there is any limitation in the foreseeable future as to how the government is prepared to postpone taking action to get the grain shipments moving from western Canada to our overseas customers.

Mr. Chrétien: Mr. Speaker, I said previously and I will repeat that those employees have the right to strike, and we respect that right to strike. The House has not indicated to me that we should withdraw the right to strike.

Mr. Fraser: Can we infer from the minister's answer that the government has no intention of taking any action, no matter how long this dispute drags on? Is that the answer the President of the Treasury Board is giving to this House on behalf of the government?

Mr. Chrétien: Mr. Speaker, my position is that I believe in collective bargaining.

* * *

GRAIN

SUGGESTED PRIORITY FOR SHIPMENT TO BANGLADESH—RESPONSIBILITY FOR DEMURRAGE CHARGES

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the minister in charge of the Wheat Board. In view of the fact it has been reported that the largest shipment of grain ever to leave a port is waiting to be loaded at the port of Vancouver, and it is bound for Bangladesh, I wonder if the minister can tell the House whether this boatload of grain will receive any priority, and while it is waiting to be loaded who will be paying the

demurrage charges, will it be the Canadian Wheat Board or the Canadian people?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would have to check into the second part of the question with regard to a particular vessel. The Wheat Board, the railway companies and elevator companies are all prepared to give top priority to the loading of vessels as soon as the movement of grain begins again, and of course those vessels already loading are usually the first ones back, and this is one in that category.

EFFECT OF STRIKES AT VANCOUVER ON CANADA'S CREDIBILITY AS SUPPLIER—GOVERNMENT ACTION

Mr. Gordon Towers (Red Deer): In view of the fact that Canada is losing its credibility as a supplier of grain, and also in view of the fact that the port of Seattle is stealing much of the business from the port of Vancouver, will the government undertake any new initiatives to resolve these labour problems so that we will not continue to run into these difficulties, thereby not only losing sales but also our credibility?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the government, of course, is concerned about this issue and the exact initiatives being taken to attempt to lessen labour unrest in this country are more properly discussed by my colleague, the Minister of Labour. But I should say to the hon. member that while this strike is indeed unfortunate and a great deal is made of it in terms of our reputation abroad, it should be pointed out that the United States ports have certainly not been free from strikes. I think in comparative periods they have suffered every bit as much. While I understand that there are those who would damage our reputation abroad by emphasizing our vulnerability, I hope the hon. member will at least recognize that other countries, like the United States and Australia, have been equally vulnerable.

* * *

PUBLIC SERVICE

PROPOSAL TO IMPROVE COLLECTIVE BARGAINING CAPABILITY OF GOVERNMENT—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a supplementary for the President of the Treasury Board. In view of the commitment to the process of collective bargaining, which I think is shared generally in the country, and in view of the tremendous difficulty the government seems to be having with respect to collective bargaining with the Canadian public service, would the President of the Treasury Board assure us that the 35 per cent increase in consultants' fees, at least to a large extent, will go to improving the collective bargaining capability of the government, which in the present circumstances seems to be wanting.

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I do not know why the hon. member is mixing these subjects because I think the latter is completely different from the problem of collective bargaining with which I am faced. In regard to the other parts of the question, I will look into them.

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker, I might say that the minister is having the same problem. He is mixing answers as well.

* * *

TRANSPORT

DREDGING CONTRACTS—KNOWLEDGE OF MEMBERS OF GOVERNMENT OF POSSIBLE FRAUD BY MARINE INDUSTRIES LIMITED

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister. Yesterday he was asked whether the government know about a possible massive fraud prior to the fall of 1972, and the answer was, and I quote: "I am prepared to say that certainly no one in the cabinet knew."

In trying to clarify this matter I would like to ask the Prime Minister if he is confident that no minister of the government was aware of possible wrongdoing, of allegations or suspicions of fraud or irregularities regarding Marine Industries contracts prior to the complaints in the fall of 1972?

An hon. Member: Put your seat on the line.

Mr. Nowlan: You put your tongue on the line and I will chop it off. Page 4150 of *Hansard* for yesterday, the second column.

● (1430)

Mr. Speaker: The hon. member for Churchill.

Mr. Nowlan: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Churchill has the floor.

* * *

CONSUMER AFFAIRS

ALLEGED MISLEADING ADVERTISING BY POST OFFICE—GOVERNMENT ACTION

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In light of the current disputes which may disrupt the Canadian Post Office, as they have disrupted the Canadian postal service entirely in the past, and in view of the fact that the Post Office Department is currently running a television ad promoting the use of the Post Office for quick and efficient service and also the fact that we have only one television station in the Churchill riding, is the minister prepared to either have the ad withdrawn or charge the Post Office Department with false advertising?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am quite willing to discuss

this matter with the Postmaster General. I can assure the hon. member that I think the premise of his question is not well founded.

[*English*]

Mr. Nowlan: Mr. Speaker, a point of order.

Mr. Speaker: The hon. member for Annapolis Valley on a point of order.

Mr. Nowlan: Mr. Speaker, I am sorry to interrupt, but I thought the Prime Minister was about ready to answer the question I posed. He has been in consultation with the Minister of Transport and I would not want to interfere in this line of questioning. My point of order is this; is the Prime Minister not prepared to answer a simple straightforward question?

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

* * *

FINANCE

BALANCE OF PAYMENTS DEFICIT—INQUIRY AS TO CREDIBILITY OF ESTIMATE—GOVERNMENT ACTION TO ACHIEVE BALANCE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, a question for the Minister of Finance. As the projected balance of payments deficit has been put at $4 billion, has the minister any indications as this quarter is almost over, if this estimate is still credible and likely to be reached?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I did not hear the first part of the question. I am sorry.

Mr. Ritchie: As the projected balance of payments deficit has been put at $4 billion and as this quarter is almost over, does the minister still feel that this estimate is credible and likely to be reached?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the current account deficit is somewhere between $4 billion and $5 billion for the year 1975.

Mr. Ritchie: A supplementary question, Mr. Speaker. Has the minister made any plans to meet the problems of this deficit or does he expect capital inflows to take care of the situation?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the dollar, of course, still reflects market forces but at the moment we are hopeful that a reasonable balance would be achieved between trade deficit and capital inflow.

* * *

ENERGY

OIL—SWITCHING IMPORTS FROM VENEZUELA TO MIDDLE EAST—GOVERNMENT ACTION TO PREVENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, a question for the Minister of Energy, Mines and Resources about the growing evidence that some oil companies are switching their oil imports from Venezuela crude to Middle East crude thereby gaining an additional $1.30 per barrel in compensation payments. What steps is the government taking to plug this loophole which according to the present reports of his own officials, is increasing?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the provisions of Bill C-32, which is before parliament, give the government the authority to make additional regulations which would have enabled us to have changed the rather rigid system that we have, in effect, based on the estimates. At the moment, while we are taking a look at the possibility of making changes, I think I would be correct in saying that under the Appropriations Act we do not have the opportunity of passing regulations to deal with this, although we are giving it close examination.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question. In view of the fact that some 145 million barrels of Middle East oil were imported into Canada in 1974 and this represents a very serious rip-off—

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): — when the oil companies switched from Venezuelan crude to Middle East crude, thereby increasing the compensation payments they receive from the government by $1.30 a barrel, I want to ask the minister if he has approached the House leaders of the various parties to see if speedy passage could be obtained to an amendment to the legislation to plug this loophole which is costing the taxpayers of Canada millions of dollars.

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I could correct the hon. gentleman. We are, of course, paying only compensation for the taxes charged by the foreign governments to the particular oil companies. While it is true that our obligation on payments for Middle Eastern crude is higher than our obligation on payments for Venezuelan crude, this does not accrue to the benefit of the individual company. With regard to Bill C-32, I appreciate the suggestion. If we could overcome the pronounced delay that has occurred with regard to that particular bill and put it through, this would enable us to deal with this situation at an early date.

OIL—REQUEST FOR ESTIMATE OF COST OF SWITCHING IMPORTS FROM VENEZUELA TO MIDDLE EAST

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question. In view of the fact that the cost to the oil companies for imported oil for compensation payments on Venezuelan crude is $7.10, whereas Middle Eastern oil is $6.15 which represents a considerable increase in the return to the oil companies, may I ask the minister if the Energy Supplies Allocations Board has reported this matter to him? If so, when, and has he made any estimate of what the additional cost to the compensation fund has been as a result of this practice of switching from Venezuelan oil to Middle Eastern oil?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. gentleman will have noted from the press reports, this has been a matter of discussion between my officials and officials of the board. The primary difficulty is in the legislation, or absence of it, which would have enabled the government to have moved to block this particular situation.

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TRANSPORT

HAMILTON DREDGING CONTRACTS—INQUIRY WHETHER FORMER MINISTER OF TRANSPORT RECEIVED LETTER FROM MR. CAMPBELL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion and, if I may, I have a brief preface. In a statement made last evening the Solicitor General said that following Mr. Campbell's visit on September 11, 1972 to the former solicitor general's office, Mr. Cameron called the RCMP and the Department of Transport—

Some hon. Members: Order, order!

Mr. Woolliams: —about Mr. Campbell's letter and was told to deliver that letter to your office. Did you receive that letter?

Mr. Speaker: Order, please. The hon. member has indicated that he had a brief preface to the question. In fact the preface is brief and I think the question ought to be put.

Mr. Woolliams: I should like to ask the minister now if he received that letter and the documentation of Mr. Campbell from Mr. Cameron?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, in view of the fact that this matter has obviously been discussed in committee and it would appear, if I were to abide by your ruling of the other day, that I might appear to be withholding the answer, the answer to the question of the hon. gentleman is that it was directed to a special assistant of mine. I did not see the letter myself nor did I see Mr. Campbell.

Mr. Woolliams: May I ask a further question? Has the minister seen the letter since or when did he first see it and the documentation, if he has seen it?

Mr. Jamieson: Mr. Speaker, I said I had not seen the letter. I suppose I should put it in the present tense—I have not seen the letter.

* * *

POST OFFICE

POSSIBLE BOYCOTT OF POSTAL CODE—GOVERNMENT EFFORTS TO COUNTERACT—REQUEST FOR ASSURANCE TO UNION GRIEVANCES WILL BE SETTLED

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Postmaster General. In asking the question perhaps I may be permitted to welcome him back to the House and congratulate him on the eloquence and elegance he displayed in the Irish walk last Sunday and his encounter with the Blarney stone last Friday. In view of the boycott of the postal code called for Thursday of this week by the CUPW leaders, and the severe penalties provided for delaying the mail, will the Postmaster General tell the House what steps he has taken to dissuade the union leaders from this illegal action?

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

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, there has been no illegal action as yet of which I am aware.

Mr. Dinsdale: A supplementary question. In view of the Postmaster General's success in Montreal last Friday with the letter carriers' union, would he now meet with representatives of the postal union to give them his direct assurance that long standing grievances are going to be dealt with in the contract negotiation now getting under way?

● (1440)

Mr. Mackasey: Mr. Speaker, they received that assurance from the Postmaster General and the representative of the Treasury Board when that representative appeared before the special committee. The problem of technological change, and the effects of technological change on the inside workers in the post office, were dealt with very adequately by Mr. Taylor between last April and December. If the same co-operation can exist in the future, there is no reason these men should have anything to fear.

* * *

ADMINISTRATION OF JUSTICE

LEGALITY OF CHARGING DEMURRAGE TO FARMERS—GOVERNMENT POSITION

Mr. Arnold Malone (Battle River): Mr. Speaker, I wish to direct this question to the minister in charge of the Canadian Wheat Board. Inasmuch as I know of no business where two parties can incur an expense and charge it to an innocent third party, has there been any investigation by the Ministry of Justice as to the legality of charging demurrage to farmers or will there be any investigation as to the farmers right to sue in relation to demurrage charges?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am sure those against whom demurrage charges are sought are fully aware of their rights with regard to civil liability and will defend accordingly.

* * *

LABOUR CONDITIONS

DAMAGES TO INNOCENT PARTIES AS RESULT OF STRIKE—POSSIBILITY OF SETTING LIMIT

Mr. Arnold Malone (Battle River): Mr. Speaker, I will direct my supplementary question to the Minister of Labour whom I welcome back to the House. Has the

government entered into any discussions as to the limit of damages that innocent third parties should incur as a result of the right to strike by other parties, or is the government about to establish any limit on the damages that should be incurred by innocent third parties?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, may I indicate at the beginning that I do not agree with the premise of the hon. member's question. It is not always the workers who are responsible for losses that may be sustained by third parties. It may be the employers. This is a dispute situation. In a dispute situation such as this, we could not get into the question of assessing liability on innocent third parties. That is an inevitable result when you have the right to strike.

Some hon. Members: Hear, hear!

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VETERANS AFFAIRS

DATE OF INTRODUCTION OF HOUSING LEGISLATION OR STATEMENT ON FUTURE OF VETERANS LAND ACT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Veterans Affairs. In view of the fact there are only a few days remaining before Easter, and in view of the fact the minister made a definite commitment to the Standing Committee on Veterans Affairs that he would introduce veterans housing legislation before Easter, has a definite date been set as to when the minister will either introduce legislation or make a statement on motions as to the future of the Veterans Land Act?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, as I indicated previously, I hope to be able to come forward with a statement prior to the Easter recess.

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[*Translation*]

AGRICULTURE

FEED GRAIN—REQUEST FOR ASSURANCE OF SUFFICIENT STOCKS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Agriculture.

Since farm co-operatives and farm producers of the Quebec area are greatly concerned about the diminishing feed grain reserves week after week, can the minister inform the House whether the Feed Grain Board has taken or will take the necessary steps to ensure adequate supply for the coming weeks?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I met with a representative of the Canadian Livestock Association on Friday of last week. He assured me there is an ample supply of feedstocks for Eastern Canada and will be for some time to come. Our stocks in the Great Lakes area are larger than normal. They are sufficient to take care of our needs for some time.

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PUBLIC SERVICE

REQUEST FOR NEW FORMULA FOR PENSION PLANS—GOVERNMENT POSITION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. In view of the fact that Treasury Board sets the pattern for the escalation of pensions of retired public servants, retired RCMP personnel, retired armed forces personnel and others, and in view of the fact that under the present formula these pension recipients are always falling behind, will the Treasury Board undertake to study this matter with a view to bringing in a new formula to be applied to all of these various pension plans?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I am taking good note of the hon. member's remarks.

[*English*]

STRIKE OF GENERAL LABOUR AND TRADES GROUP—GOVERNMENT VIEW OF EFFECT ON PUBLIC INTEREST

Mr. Jack Murta (Lisgar): Mr. Speaker, I have a question for the Prime Minister. In view of the answers given this afternoon by the Minister of Labour, the President of the Treasury Board and the sarcastic reply by the minister responsible for the Canadian Wheat Board, will the Prime Minister advise the House whether the government has yet determined if the strike that is going on, which is affecting grain movement and shipping out of Vancouver, is affecting the public interest at this time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government is very concerned about the degree of harm that can occur, particularly to the grain trade. We have considered this question. The answer really lies at which point the public interest becomes overwhelming and should overwhelm the basic democratic right to strike which has been given by parliament to the workers of this nation. That is the judgment this government has to make. It is the judgment that members opposite have had to make in previous circumstances when the government has brought in legislation to end a strike. It had the support of members opposite. The House knows this is the balance of justice which must be reached. As the ministers have indicated previously, we have not yet reached a conclusion that legislation be imposed in order to take away a basic democratic right.

Some hon. Members: Hear, hear!

Oral Questions

TRADE

REQUEST MINISTER ENDEAVOUR TO INCREASE CANADIAN EXPORTS DURING TOUR OF SOUTH AMERICA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and Commerce. I understand the minister will be visiting Mexico, Brazil, Venezuela and Cuba from March 19, tomorrow, to March 27. I believe he will be the first Canadian cabinet minister to visit Cuba since the beginning of the Castro revolution.

Some hon. Members: Hear, hear!

Mr. Crouse: In light of the fact that our exports are looking far from healthy, will the minister's export effort be confined to metals and minerals or will he throughout his tour endeavour to raise Canada's share in South American markets of high technology products by assisting Canadian business in establishing agents in these countries?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, it will be concerned with all those areas; metals, minerals, high technology products and fishery products. I would also like to add agricultural products.

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THE CANADIAN ECONOMY

INFLATION—REASON FOR CONTINUED HIGH RATE

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In the ongoing assessment the minister and his colleagues are making of the Canadian economy, what, in their opinion, is the major factor that is leading to a continuation of the high rates of inflation in the economy at the present time?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I dealt with that rather fully in the debate last Thursday on the motion of the hon. member for Oshawa-Whitby. This is certainly not the type of question I can answer fully in the question period. I would ask the hon. member to look at *Hansard* for that date.

Mr. Gillies: The reason I asked the question was that I read the minister's speech very carefully and could not find an answer to that question. Does the minister feel that in the economy of Canada the cost-push factor rather than the demand-pull factor is causing the inflation we are faced with today?

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[*Translation*]

ADMINISTRATION OF JUSTICE

REQUEST FOR INVESTIGATION OF ALLEGED SUICIDE AT MILITARY COLLEGE

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Solicitor General. I think it also concerns the Minister of National Defence.

[Mr. Trudeau.]

Since, last Thursday, a Montreal daily paper referred to a very embarrassing climate at the Saint-Jean Royal Military College, where a suicide was reported to have been committed two weeks ago and where scuffles and drug traffic have taken place, has the minister been made aware of that problem at the Saint-Jean Royal Military College and, if so, could he make a statement in the House to restore to that military college the excellent reputation it always had.

● (1450)

[*English*]

Hon. Warren Allmand (Solicitor General): I am not aware of that particular incident, but I will check with the RCMP to ascertain whether they have investigated or whether they are looking into that problem.

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JUVENILE DELINQUENCY ACT

INQUIRY ON PROGRESS ON REFORM MEASURES

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is also directed to the Solicitor General. Last fall I asked him about plans to redefine the Juvenile Delinquency Act. He said at that time it was his intention to introduce a white paper in March. Can the hon. gentleman inform the House as to the progress of this piece of reform?

Hon. Warren Allmand (Solicitor General): We are awaiting approval of our proposals by the provinces. As soon as we get this approval we shall table a white paper, one which we hope will also include a draft bill.

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GRAIN

REQUEST FOR ESTIMATE OF SHORTFALL ON EXPORT COMMITMENTS—SUGGESTION SOME CUSTOMERS HAVE REQUESTED SHIPMENT THROUGH EASTERN PORTS

Mr. Doug Neil (Moose Jaw): My question is for the Minister in charge of the Wheat Board. Can the minister advise us what the shortfall is to date with respect to Canadian export commitments for the supply of grain?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker; I could scarcely give the hon. member a precise figure since normal exports are based on the timing of the arrival of vessels. I could give him an estimate of the ordinary capacity of the west coast ports on a weekly basis, but that would not relate to specific export contracts.

Mr. Neil: Apart from the decision of the government of China to insist on deliveries of 40 per cent of its recent contract through the eastern ports, have other customers recently required that a portion of their grain shipments be sent through the eastern ports?

Mr. Lang: The story about China having required delivery of 40 per cent of its supplies through eastern ports was inaccurate.

Miss MacDonald (Kingston and the Islands): Was it 50 per cent?

* * *

THE CANADIAN ECONOMY

POSSIBLE IMPOSITION OF PRICE AND WAGE CONTROLS—GOVERNMENT POSITION

Mr. Leonard C. Jones (Moncton): My question is directed to the Prime Minister, Mr. Speaker. What steps, if any, is the government contemplating to implement wage and/or price controls in certain sectors of the economy, in particular in the lumber industry, the building materials industry and allied industries? At the consensus meetings held by the Minister of Finance and others, have price and wage control levels been discussed or mentioned at all?

Right Hon. P. E. Trudeau (Prime Minister): As to the general policy of the government, it is fair to say that the government is not considering at this time any general statutory form of price and wage controls. I do not know whether the hon. member is making a representation or just asking a question.

Mr. Andre: What about non-statutory controls?

Mr. Trudeau: Yes, what is your problem?

Some hon. Members: Oh, oh!

* * *

LABOUR CONDITIONS

REQUEST FOR STATEMENT OF GOVERNMENT VIEW ON METHODS TO REDUCE EFFECT OF STRIKES

Hon. Robert L. Stanfield (Leader of the Opposition): The Minister of Justice suggested a few minutes ago that the Minister of Labour might be able to give the House some information with regard to discussions he had been holding on the subject of methods by which disputes and strikes, interruptions of essential services, might be reduced. Is the minister really prepared to give us any more information about these discussions on this subject than is the Minister of Justice? Is the Minister of Labour prepared to make a statement in the House in the near future about the general drift of his efforts?

Hon. John C. Munro (Minister of Labour): I can certainly indicate to the Leader of the Official Opposition the general drift of the discussions in which I took part, although I did not attend the latest ones. We discussed with representatives of labour how they see the economic future, what they believe to be the main problems, and we endeavour to isolate areas upon which labour, the business community and the government agreed. An effort is then made to develop some type of agreement as to measures to be taken. I think those meetings have been relatively successful.

Mr. Stanfield: Would it be correct to assume that the discussions in which the Minister of Labour took part did not relate to a consensus as to the way in which the gross national product should be divided, but rather to procedures and methods by which agreements could be reached?

Mr. Munro (Hamilton East): I am sorry. The first question asked by the hon. gentleman obviously had to do with better means of dealing with work stoppages and strikes; I thought he was referring to the meetings held with reference to the economic situation generally. I might say that officials have been meeting with representatives of labour and business with respect to the particular issue the hon. gentleman mentioned in his question earlier; they have been informal discussions at the official level.

Mr. Stanfield: Is it the intention of the Minister of Labour to make a statement to the House on this subject as the Minister of Justice has suggested he might do? Is it his intention to give the House any information as to any plans the government might have in this area or must we try to pull teeth as we have been trying to pull the Prime Minister's teeth for several months on the subject of consensus generally.

Mr. Munro (Hamilton East): I do not like the exercise of pulling teeth any more than does the Leader of the Opposition.

An hon. Member: We need denticare around here.

Mr. Munro (Hamilton East): I have advised the Leader of the Official Opposition that informal discussions along the lines he has in mind have taken place with various labour leaders and leaders in the business community at the official level. That has been the extent to which this matter has been taken; nothing has gone on from there. In the circumstances, I think it would be premature to make a statement to the House at this time.

Mr. Stanfield: Nothing has happened.

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NATIONAL REVENUE

INQUIRY AS TO PROPOSAL TO MOVE VANCOUVER OFFICES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I should like to address my question to the Minister of National Revenue arising out of a question I put to the Minister of Public Works a couple of days ago. Since that question has not been answered to my satisfaction, and in view of information I was given in Vancouver over the past weekend, I should like to ask the Minister of National Revenue what plans his department has made to move the premises of the Department of National Revenue in Vancouver? If no plans have been made, what are the deadline dates for making such plans or making this move?

Hon. Ron Basford (Minister of National Revenue): My department has made recommendations to the Department of Public Works. I inquired this morning whether those recommendations have been accepted or not but so far I have not received an answer.

Oral Questions

INDUSTRY

SHIPBUILDING SUBSIDIES—POSSIBLE HOLDBACK OF PAYMENTS TO MARINE INDUSTRIES LIMITED—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question relates to dredging irregularities and to questions raised in the House before—

Some hon. Members: Where were you last night?

Mr. Lawrence: Glad you missed me, anyway. My questions relate to matters raised in the House last week. For instance, the Minister of Industry, Trade and Commerce left an implication that he was taking as notice a question relating to certain subsidies granted to Marine Industries Limited and the possibility of withholding those subsidies pending legal clarification of the government's position. Now that he has received clarification of the legal question, would the minister be good enough to inform the House whether there is a holdback involving ship-building subsidies to Marine Industries Limited and what the amount is?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I have not yet received an opinion from the law officers of the Crown; it is a complicated matter. But on a contingency basis we are withholding our payment until we have received that opinion.

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TRANSPORT

DREDGING CONTRACTS—POSSIBLE SUSPENSION OF EMPLOYEES PENDING INVESTIGATION

Mr. Allan Lawrence (Northumberland-Durham): Dealing with the same matter at least two weeks ago, the Minister of Transport undertook to tell the House whether any departmental employee had been suspended as a result of the dredging contract irregularities pending the outcome of the criminal trials.

● (1500)

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, following the question I was asked by the hon. member recently, I have made an investigation and I can say a consultant has been dismissed, not a civil servant—

[*English*]

Pardon me, there was a consultant appointed in the case of the *Irving Whale* which sank in the St. Lawrence. In this particular case La Compagnie de Richelieu de dragage was involved; it was not accused at all or suspected, but the consultant was, and he was dismissed. That is the only case of which I know.

Mr. Speaker: Orders of the day.

Mr. Nowlan: Mr. Speaker, I rise on a point of order. I did try to catch Your Honour's eye, although I appreciate there were many members trying to catch it. I wanted to wait until the end of the question period so I could legitimately come in under a supplementary. I asked an important question of the Prime Minister concerning his prior knowledge as to wrongdoings, irregularities or misconduct regarding contracts with Marine Industries Limited, a subject that has been rather topical and most relevant in the question period. I thought the Prime Minister was referring to *Hansard* to see exactly what was said yesterday, so that he could give an answer and not leave this rather important question unanswered.

Mr. Speaker: Order. As the hon. member knows, the right hon. Prime Minister or any other minister to whom a question is put has the option to answer or not to answer, as he chooses. It was evident, at least to me, that the right hon. Prime Minister chose not to answer this question, and accordingly I recognized other questioners.

Mr. Nowlan: A point of order, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member knows that is not a point of order. He is talking about the disposition of a question that is now behind us. There is no way he can ask the House to revert to the question period at this time. In addition, the hon. member raised the matter of a non-reply by way of a point of order, and a few minutes after that put a question which also did not provoke any answer or discussion. Under the circumstances, that seems to me to close the matter.

GOVERNMENT ORDERS

[*English*]

PETRO-CANADA ACT

MEASURE TO ESTABLISH CROWN CORPORATION

The House resumed, from Wednesday, March 12, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-8, to establish a national petroleum company, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, coming from Atlantic Canada, I suppose I might be accused of being parochial if I were to try to present some of the problems that exist in that area of Canada, yet I think it is absolutely necessary that for a few moments we do discuss this particular matter. When one looks at Atlantic Canada from the point of view of energy supply, one cannot help but be reminded of Bill C-8 and the total neglect and utter lack of planning on the part of the federal government of this country ever since oil became an integral part of our energy structure.

One cannot help but remember that when efforts were being made to construct oil refineries in eastern Canada, roadblocks were established, for real and artificial reasons, without any real substantiation by the Government of Canada, the result being that these refineries never were built on the sea coasts of New Brunswick or Nova Scotia to the extent they should have been.

Therefore, we in Atlantic Canada find ourselves in the position of being at the mercy of foreign oil suppliers, as well as at the mercy and whim of government if it does not see fit to pay attention to requests made of it by Atlantic Canada. It would have meant a very important industry in the area of Saint John had the government, through its Minister of Energy, Mines and Resources, chosen to cut the red tape and allow construction by a very reputable company of a large refinery there. There would have followed a number of vital side industries and it would have guaranteed oil supply to the eastern half of Canada. But this was not to be the fact.

This, of course, is the point from which we start. We hear of discussions concerning a pipeline to be built from Sarnia to Montreal, but we hear nothing of discussions regarding energy supply and security of supply for Atlantic Canada. I think this indicates that the present government does not have the concern of the whole nation at heart as it plans its oil policy.

As one considers Bill C-8 it is rather interesting to examine some of the information published in Canada in the last three to five years regarding expansion of gas sales for all purposes. This information would indicate that while we had a limited supply of gas, we could never, under any circumstance, relax our efforts to search for and develop additional gas supplies in view of the limited period of time that we could supply gas for existing use. Today, no real effort is being made to take cognizance of the statistics that have been presented year after year.

In view of the limitations of supply which are statistical knowledge to the man on the street, during the past five years we have had a chaotic government creating an economic atmosphere in which the oil industry has been unable to see the end of the trail. The industry did not choose to continue on the same vigorous note that had been characteristic of the oil industry since the find at Leduc.

What we find after reading one publication after another is that there is a decline in the amount of expenditure on search for and development of this most vital ingredient of our society. For instance, one graph which was recently published showed that from 1973 until 1975 oil rig activity in this country declined by just about one-half. That, Mr. Speaker, is over a two-year period. With regard to offshore drilling, we find there has not been the same impetus as there was before chaotic government created a chaotic financial situation in which the oil companies, be they native or foreign, refused to risk the investment of their money.

Another publication reveals that the number of wells being drilled in Alberta, Saskatchewan, British Columbia, Manitoba, the Northwest Territories and the Arctic has been on the decline. Again we have only to go back three years in order to establish this very significant trend.

The financial pages, the budget, speeches that have been made by cabinet ministers, by the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Turner) in particular, disclose the economic reason for the absence of this activity. On the other hand, if we examine such activity abroad we find a complete contrast in those countries which have recognized that they must have oil; they have taken competitive economic steps to attract money. Canada was considered one of the most stable economic opportunities in the world. It no longer has that reputation, nor will it ever regain it if we do not come up with plans which point in a specific direction indicating that Canada does, in fact, want to develop.

● (1510)

We do not have to look very far in various publications to find that in the last five years, let us say, the graph which indicates the consumption of oil in Canada has been rapidly gaining on the graph which indicates oil production in this country, and that we will no longer be self-sufficient as at the end of 1975. These were predictable and projectable items of fact which should have influenced the policy of the Government of Canada to secure our supply and to permit development and research.

We do not have to look far to see what the side effects of this situation will be. Prior to the time that Canada approached self-sufficiency of supply we found ourselves in economic imbalance as a result of trade deficits, which had a very considerable impact upon our economy. Yet while the handwriting was on the wall indicating that the same economic imbalance would be created by any decline in the production of oil or by any expansion of the importation of oil, no action was taken by the government which would have encouraged further search for and development of new sources of oil and other forms of energy. We have, instead, quibbled with our neighbour to the south as to how we would get the energy assets out of the Arctic. We have, instead, dilly-dallied, fiddle-faddled in every way possible to delay those operations which very well might have put us in a different position.

The government should have followed a few of the charts which were put out by the dailies, the weeklies, the *Financial Post* and by practically every source of news dissemination that exists in this country. It could, for instance, have looked at the chart which indicated to Canadians that as royalties went up, companies both national and international lost interest in the development and search for new sources of oil. The government could, for instance, have taken a different tax approach, but it did not. It could, for instance, have told the Canadian public that the royalties which are paid in this country today exceed $1,498 million, while the royalties paid five years ago were only $235.2 million.

One could go on and read a great many figures and bore hon. members and anybody else who might wish to look at this report and the statistics, but let us not do that. Let us simply say that every indicator of consumption, of anticipated demand, of movement of exploration, seismic and drilling equipment, operations both offshore and onshore, in the past three years should have shown the government that if we were not to find ourselves in two positions of almost equal catastrophe—one being energy shortage and the other the imbalance of international payments—it should have done something to make us self-sufficient long ago, or promised self-sufficiency in the not too distant future. That did not happen.

While all these things were going on, the Government of Canada sought out scapegoats: it sought out the international consortium, it sought out anybody who made a profit, it sought out the consumer, and it sought out the

distributor. It attacked everybody from the little guy who puts gas in your tank to the big guy who takes it out of the ground. Everybody except the government was wrong; everybody else was to blame.

I submit that this has been rape by the government, by design and by the change of philosophy of the Government of Canada under the Liberal Party. It has been application of the philosophy that no one but the government is capable of doing the things Canadians need. I do not believe the voting public of Canada recognized this very slow and subtle philosophical change in the Liberal Party. It has had a reputation in the past of being reasonably alert to the needs of the Canadian people, but at this moment in time it is serving the political philosophies of those in cabinet and ignoring the actual needs of Canadians.

I do not buy all the objections that have been raised by various parties in this House in respect of the big corporations, because the Government of Canada has been able to control the ways and means of making sure it knows where every cent of profit in every company in this country has gone. The government has the ways and means to inflict government regulation or taxation upon those companies if they do not conduct themselves in a fashion which could be termed in the best interests of Canada. So all the taxes imposed on the companies do not get you anywhere except out of oil production.

I am just wondering, as I look at Bill C-8, how this policy is going to be structured and how we are going to get the various people in place. How are we going to gather up the expertise? The companies which have developed over the years have tried and proven employees, people who have shown the capacity to recognize formations where these resources exist. They would not be in the employ of these companies if they did not have that capacity. Where are we going to get the people who are needed with the proper expertise?

We do not have to look very far to see the progress of various business operations as they have taken place to know that expertise is something that is developed over a period of years; it is not something you can legislate or create as a business operation. Surely existing Crown corporations have proven this. Surely the method of appointment to positions of responsibility within these Crown corporations has proven beyond question that there is little hope for the success of Petro-Can if it is to be staffed by the same method. Surely it has been proven that the Government of Canada has never had the capacity to select people of this kind to conduct business in the private sector.

What is even worse about this situation is that the Goliath of government may very well, by its presence in legislation, further inhibit and deter the wish of companies presently in business to take the required action to fill the gap that will necessarily be here until such time as Petro-Can becomes the company which the government foresees. I am as concerned about the socialistic nature of the bill as I am about the lag in time when there will be no motivation for anybody else to develop and no capacity for the government to develop in the next ten years. This is a very serious factor which must be taken into consideration.

[Mr. McCain.]

Had the government chosen to outline to the people of Canada the fact that there are certain aspects of the industry that need help, if the Government of Canada had said in sincerity that it would like to see these aspects owned and developed by Canadians, and if the Government of Canada had followed such a statement by making funds available to presently owned Canadian companies to go forward with this development, even though there might be risk to the taxpayer, there might be some justification for the government's move. If this had been the ways and means adopted to combat these scapegoats on whom the government has been putting the blame for the last five years, then perhaps there would be that justification. The fact is that small though some of these Canadian companies are, they do have the expertise which the Canadian government cannot get overnight and which it needs if this bill is to do what it says it will do. This would have been a reasonable substitute for what we have now.

● (1520)

The government has used a very poor policy in respect of the ownership of our resources because after years of knowledge of the ownership no clear formula has been established by which any private entrepreneur, national or international, would be well advised to invest his capital because he would have no idea of precisely where he would stand. Even if it were on paper, in the present economic climate nobody would know what the government would do next year. There would be no way of knowing whether or not the government would decide to impose a further tax.

Certainly, when the government imposed an income tax on business structures in this country which reduced their profit to nil, or in some cases to less than nil, they were not putting forward policies which would encourage the development of our petroleum-based industries. They may wish to blame it on provinces, they may wish to blame it on luck or anything they like, but their own behaviour has been detrimental to the development of the supply of this vital product—and Bill C-8 will not correct this situation overnight.

As I said earlier, I am concerned about the method and the means of financing this organization. I recall very well the debates that took place in respect of the financing bill for Air Canada and CNR in the last parliament. There was no way in which the minister and the officials responsible were going to place before the committee of the House of Commons the necessary facts and figures to determine whether there was any business justification for some of the moves for which money was being borrowed. In spite of this, money was borrowed.

Will it be the same for Petro-Can? Will we find ourselves, as taxpayers, in an identical position? I wonder about this and I am concerned about it. Will the government, for instance, through its right to buy shares, be able to pour money through the back door of the company to the detriment of the private enterprise which might be left, and then put it in a competitive position in which it will be the sole operator? Is it the intention to nationalize the entire oil structure? I sometimes wonder if that is not precisely what it is, hidden though it may be. The sincerity of the government must be challenged, and it is high time they levelled with us. It is my feeling that there has

been blatant exploitation of the minds of millions of Canadians who have no way of knowing what is best for them except what they are told by their leaders.

I submit that the justification for the bill before us is a group of misleading statements intended to create a climate of political feeling which might make it possible for the government to pass Bill C-8 and thus socialize a large section of our economy. When we do that, we may very well find ourselves not only lacking money for the development of the company but lacking money to buy the oil we will need.

In the name of democracy, this is another step in the paralytic, socialistic program of the Trudeau administration. As usual, leadership, management and ingenuity, characteristic of our own development as a nation, are utterly lacking in the present government. I sincerely hope that some rules and regulations will be laid down and they will become a part of this act, so that we are not writing another blank cheque for a political party to appoint its defeated candidates to find oil for Canada for generations to come.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, we have before us Bill C-8 to establish a national petroleum company. I find it very interesting that no Liberal speakers other than the minister have risen to defend this bill. I think they are rather embarrassed by it. Also, of course, the Conservatives are criticizing it most vociferously, as is indicated by their "head in the sand" approach to the whole energy crisis in this country!

An hon. Member: It is not the head that is in the sand, but the oil.

Mr. Symes: If you dig a little deeper you might find oil, fellows, but I do not think so. The point is that this bill has some potential, but knowing the Liberal cabinet and traditional Liberal governments, I am afraid it appears to be mere tokenism in solving the vast energy problems of this country. I was rather intrigued by the statement of the Minister of Energy, Mines and Resources (Mr. Macdonald) when he opened the debate on this bill and I would like to read what he said as reported in *Hansard*:

> This bill is a most important element in the government's long-term planning to secure adequate supplies of energy to meet our national needs. It is firmly rooted in the basic objectives of our energy and resource policies which are to ensure for Canadians adequate and reliable supplies at reasonable prices, as well as a direct share in the wealth which development of our resources generates.

Isn't that interesting? There, in a nutshell, is supposed to be the national energy policy; that is to say, adequate and reliable supplies, reasonable prices, and a direct share in the wealth of our resources. I would like to analyse that statement of the minister, look at the so-called aims of the government and see whether they have been fulfilled at all or whether it is possible, under this government, to fulfil those three objectives.

The first thing the minister wants in a national energy policy is adequate and reliable supplies of oil. The first question is, adequate and reliable supplies for whom? I ask this question because if we look at the development of the oil industry in this country we see that because it is over 90 per cent owned by multinational, foreign oil companies, someone must benefit other than Canadians. The past history of the development of our resources of oil is that we have exported over half our supplies to the United States because the oil industry in this country is American-controlled. As a result, today we have a crisis in supply.

If the minister is serious about the importance of having adequate and reliable supplies, a long time ago this government would have told the National Energy Board to do some independent analyses to determine the extent of our oil reserves, instead of taking the figures of the oil companies verbatim; because if the oil companies wanted to export oil, being foreign-owned it was to their advantage to keep telling this government and the National Energy Board that our oil supplies would last for tens and tens of years into the future, to the end of the decade and beyond. But we have found out very recently, through a new National Energy Board report with respect to which some independent analysis work was done, that Canada is facing an energy shortage with regard to oil: within two years we will begin to see problems of indigenous supply and by 1982 we will become a net importer of oil.

● (1530)

If there had been any seriousness about having an adequate and reliable supply, it seems to me a government such as the previous Liberal government or its Conservative predecessor would have asked the National Energy Board to undertake an independent analysis. It was not done and as a result we are now paying for that lack of foresight.

The New Democratic Party, in the twenty-ninth parliament, argued vigorously for something to be done to control the exports to the United States, and because we were in a minority parliament and had some power in terms of votes we were able to convince the government, although it wanted to continue these exports, to impose some export controls. I would remind the House that in 1972 we were exporting 1.1 million barrels a day and by 1973 we had increased the figure to 1.3 million barrels a day. At that time we were exhausting our chief, known conventional oil reserves in Alberta at a rate which was detrimental to this country, and we were able to pressure the government into cutting back on oil exports. This is now a belated and accepted policy to serve Canadian interests.

Because we are now running short of oil, we have to look for oil in more expensive areas, that is, from the Athabasca oil sands, the High Arctic or bringing in expensive synthetic oil. When we consider the past development of our oil supply system, we see that it has been primarily of advantage to the multinationals and their markets in the United States because they have been able to tap our cheap, known oil reserves. Now that we are running short we have to pay higher prices for our own oil because we have to get it from more expensive sources.

The interesting thing is that when we look at the multinational oil companies and their plans for future development of sources of oil in this country, they are still using the argument that to make the development of the oil sands, or the Arctic oil, profitable not only must they have a higher price but they must have the right to export that oil. They argue that to bring it from the Arctic, large volumes are needed to obtain economies of scale; the

market in western Canada is not large enough to absorb it, so the oil will have to be exported. Unless we reverse that kind of thinking we will be perpetuating the mistakes that we made back in the 1950s and 1960s by continuing to export a precious resource and not really thinking about the future needs of Canada. As long as the oil industry is 90 per cent foreign-controlled we will be up against this problem and we will not be able to ensure adequate and reliable supplies of oil.

On the first ground, the government has failed in its energy policy to ensure reliable supplies for Canada, and it will be touch and go in the years ahead to ensure an adequate supply. As I have maintained, if we do not regain some control over our oil industry we will still have to succumb to those arguments which put us into this predicament in the first place. The second part of the minister's national energy policy is said to give Canadians oil at reasonable prices. That is very interesting. Let me go back just briefly. In 1972, oil sold in this country at $2.80 a barrel. The price of oil imported into eastern Canada from Venezuela and the Middle East was about $2.50 a barrel. By 1973, as the world oil crisis began to develop, the companies in Canada were able to pressure the price of oil up from $2.80 to $3.80 a barrel. A year later, in 1974, it went up to $6.50 a barrel. In a month or so there will be another first ministers' energy conference and I predict that our oil, which is now priced at $6.50 a barrel, will soon be $8.50.

The Minister of Energy, Mines and Resources (Mr. Macdonald), and the Minister of Finance (Mr. Turner), in many statements keep referring to moving the Canadian price up to the world price which now ranges anywhere between $11 and $13 a barrel. Indeed, the commitment to the Syncrude project in the Athabasca oil sands already guarantees the world price for oil coming from Alberta. Studies show that this price will continue to escalate from about $13 a barrel at the time the plant comes into operation at the end of this decade up to an incredible figure of $35 a barrel in the year 2003.

Will we have reasonable prices under the energy policy of this government? I say no, because the interesting thing about the pricing which I have described for conventional crude is that the cost of production has not increased; indeed, for the conventional crude supplies coming out of the ground now in Alberta, the cost of production in some cases has declined. Companies were quite content with $2.80 a barrel in 1972; today they are receiving $6.50 and because of that consumers have to pay more. Every time one fills a home heating oil tank or drives up to a gas pump, the difference can be seen.

We often think of energy just in terms of heating a home or running a car. We must also remember that when energy prices increase, so do prices in all other areas of our economy. Farmers, who are consumers of the largest amounts of fuel, have to pay more to operate their combines and tractors, which means that food prices increase. If a manufacturing plant has to pay more for its energy supply, that extra cost is reflected in the cost of the manufactured product.

A policy of reasonable prices, as a goal of this government in terms of energy, has failed. I refer again to the previous parliament, when in the winter months of 1973 we were able to maintain a voluntary freeze on the price

of oil products in this country. The government would have been quite willing to take it off that January, but we said we would defeat them on the issue and go to the people and they backed down. We also pressed for an export tax so that the windfall gains resulting from the lower Canadian price would not go automatically to the oil companies when our oil was exported to the United States and Americans bought it at the world price. In that sense we gained a bit of an advantage, but now in this majority situation the government has full sway and they are allowing prices to increase.

As long as we have the situation where one half of the country is dependent on western oil, and the area east of the Ottawa Valley is dependent on oil from Venezuela and the Middle East—because we have no all-Canadian pipeline—we will be in a dilemma as to how to achieve a Canadian price at a level lower than the world price, a level related to cost or a level which, by consensus between government and industry, is to the advantage of Canada.

If we could have a two-price system for oil, and if we could keep the price of our oil below the exaggerated and artificial world level, it would be of advantage to our manufacturing industry wherein jobs are created and it would give industry some stimulus and advantage in world trade. But we cannot do that unless as part of this government's energy policy we have a pipeline to eastern Canada in order to get western Canadian oil to the east or, vice versa, offshore oil to the west.

The Sarnia to Montreal pipeline proposal is really laughable. The pipeline is not big enough to carry the volume of oil that is needed in the east or, if it is reversible, in the west. Another point is interesting, too, and I shall come back to it later. The oil industry is asking the government to subsidize operating costs. We are now at the point, because of lack of foresight and lack of policy, of allowing the oil industry in this country to be foreign-owned, where we are faced with paying higher and higher prices for oil. I say the government has failed on that point and I do not see anything in this bill or in the intentions of the government to stop this artificial escalation in oil prices.

● (1540)

The third part of the minister's energy policy which intrigues me is his aim to have the people of Canada own a direct share in the wealth of our energy resources. I assume that would come about through our tax policies and a fair economic rent on the oil that is in the country, and therefore it should benefit Canadians. Looking at the past policies of the government, I do not see how anyone in his right mind could say that we have had a direct and fair share in our resources. In 1969, 79 per cent of the mining industry and the owners of the oil and gas wells in this country paid no federal income tax whatsoever. To take it from the general to the particular, in the period 1965 to 1971 Imperial Oil, the Canadian subsidiary of the multinational Exxon, paid income tax at the rate of 19 per cent on net earnings of over $1.5 billion.

The Minister of Finance likes to bring forth the fact that corporations are taxed at a rate of around 50 per cent, but look at Imperial's rate of 19 per cent for those years: that was the tax rate, in that period, for a married man with a

wife and two children who earned only $11,000 a year. This is the government's idea of a fair share of the wealth of the oil industry. Another example in the years 1964 to 1969 is Shell Oil Company, also a subsidiary of an American parent. It had net earnings of over $516 million, and did not pay one penny in federal income tax. Not one cent of economic gain through taxes came to this government.

I have given examples of the tax policy of the middle 1960s and early 1970s. Since oil prices have escalated so dramatically in this country, we have a situation where oil companies are receiving record profits. One should read the financial pages to see the figures for the past two years. In the third quarter of 1974 the profits earned by Western Oils increased 103 per cent over the same period of 1973. Gulf Oil had an after-tax profit for 1969 of $45.5 million. In 1973 their profit jumped to $101.7 million, and in 1974 it increased to $161 million, a 60 per cent increase in one year. Nor can Imperial Oil cry poverty. In 1969 its after-tax profits were $96 million; by 1973 they were $228 million and, while we do not have the complete figures for 1974, in the first nine months of that year their profits were $252 million.

What kind of share of those revenues is the government getting through its tax system? I say, very little, in light of the tax concessions given to those companies. Prior to the 1974 budget an automatic depreciation allowance was given to the oil companies. They could deduct one-third of their production profits according to a depletion formula. That has now been changed to an earned depletion with a maximum of 25 per cent—a minor improvement, and rather negligible when you look at today's profit figures. Not only did they have a depreciation allowance in the past, but there was also a 100 per cent write-off of exploration and development costs. This has now been reduced to 30 per cent. It always amuses me to see the advertisements on television in which the oil companies tell the Canadian public how expensive it is to find oil. They do not tell the other side of the story, that all that expense, up to the last budget, could be written off for tax purposes.

The share of the profits from the oil that belongs to the people of Canada has not been accruing to the people, through the tax policy of this government, nor is it likely to do so in the years ahead. Through concessions, Canada has given all kinds of capital to oil companies and in return we have been paying higher and higher prices for oil. The minister says we should be getting a share of the earnings of these multinationals—Gulf, Shell, Imperial, Texaco, etc.—but if he and the government had been serious we would have seen a change in the budget. The concessions in the budget are still there to a large degree.

The other point that we must always come back to is this: because over 90 per cent of the oil industry is foreign-owned, the money this government does not tax does not necessarily stay in the country to benefit Canadians. We find that the outflow of dividends from the subsidiaries in Canada to American multinational oil companies amounts to over 18 per cent. We are often told that the advantage of multinationals is that in return they can provide capital for Canadian subsidiaries to develop resources.

During the 1960s, the amount of capital inflow to the oil companies was only 17 per cent. They are sending out 18 per cent, or more than they are getting through capital inflow. When you analyse the tax concessions in percentage terms for the past decade or so, you find we are paying out about 38 per cent of the capital of the oil companies. Not only do we give them money through tax concessions, but they come to the government for direct grants. Imperial Oil is in the process of building a fertilizer plant at Redwater, Alberta, which was designed by a California company. The plant is not being built by Canadians but by engineers from the California construction company. To boot, by building a fence down the middle of the site of the fertilizer plant, Imperial Oil was able to get two DREE grants from this government amounting to some $10 million. Not only do these poor oil companies which are making so little money get tax concessions, but they get direct government grants as well. However, the minister still says we are benefiting from the economic grant of our resources.

● (1550)

Syncrude is another example of the kind of bad deal this government has perpetrated. However, I have dealt with this matter in other speeches and I will let it go for now. If we really want a national oil company to fulfil the aims of the minister, namely, to have an adequate supply at a reasonable price for Canadians and a reasonable share of the wealth of our oil industry, then in light of past exploitation through allowing the industry to be in the hands of another country, and the present energy crisis in terms of supply and price, the logical step is to have public ownership and control of the oil industry in Canada.

If we follow the pattern of the fifties and the sixties, what arguments can my friends in the Conservative Party, or anyone else, put forward to say that that kind of mistake will not be repeated in years to come? The pattern is there. The crisis is here, now, because of that pattern. However, we still hear arguments that we must leave the industry entirely in the control of the multinational oil companies. If that is the problem, we must find a solution, and the solution is public ownership and control. We should look at oil as we look at electricity. The oil industry should be a public utility, run by the people of Canada through a publicly-owned corporation, for the benefit of Canadians.

I now come to the bill. The Liberal government has belatedly put before the House this bill to establish a national petroleum company. A crisis had to develop before they recognized the necessity of the Canadian people, through their government, having some control over the industry. When you look at the bill in print, you see it has sweeping terms of reference and wide powers. In my short experience in this House I have learned not to trust what is down in black and white but to examine the philosophy and intent of the government of the day. When I see the Minister of Finance listen to the Minister of Energy, Mines and Resources and then start qualifying the degree of involvement that this national petroleum company will have in the whole oil industry, I conclude it will be totally inadequate: it will be mere tokenism as long as we have a Liberal government trying to administer it. In my opinion, this is an attempt belatedly to recognize the fact that we need some public control. However, there is fear on the part of the government to seize the bull by the

horns and take direct and positive action; this is the problem.

What are the plans of the Liberal government for this national petroleum company? I do not want to sound as though I am predicting. I hope I am wrong when I say that the same thing will happen as has happened with the transportation industry in this country; this government will end up subsidizing the oil companies in unprofitable areas. Just as our existing Crown corporations run by Liberals tend to subsidize the private sector by taking over and operating the inefficient areas, the multinationals will require the national petroleum company to do the same. The national petroleum company will be given the task of exploring in less promising areas. It will only have minority involvement or control in some of the major energy developments in this country. I therefore conclude it will not fulfil its real purpose. It will be mere window-dressing by only being involved in some insignificant joint ventures, leaving the multinational oil companies firmly in control of policy related to supply and price.

A more positive step by this government would be to use the national petroleum company to take over the largest company in this country, Imperial Oil, and use that company as a pace-setter or model for the rest of the country. In other words, through Imperial Oil we would be able to set prices, exploration policy and energy development generally. With that kind of action the national petroleum company would really mean something. However, I very much doubt that the government will move in that direction. It would be a splendid opportunity for Canada and future Canadians to regain control of our resources; we would be able to set prices, control supplies and hire Canadians to develop those resources.

We have the ability in this country; we have modern support industries which could build the components for any energy development; we have engineers and technologists who have graduated from our universities, and we have the financing available. The only people left with any great inferiority complex are the members of the Liberal and Conservative parties who always say we cannot do this by ourselves, we need the multinationals to do it for us. Surely we can learn from our mistakes of the past, namely, allowing the multinationals to exploit our national resources.

I appeal to the silent Liberal backbenchers to stand up and argue before the minister and the House that we need a national petroleum company with some power and not mere tokenism. To fail to move in the direction of public ownership of our resource industries will perpetuate the sell-out of our national resources. To fail to act meaningfully, positively and vigorously by means of public ownership at this time will result in future generations cursing us for our short-sightedness. This is not the time for half-measures; it is the time for full public control and ownership of our energy resources.

Some hon. Members: Hear, hear!

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am glad to have this opportunity to say a few words on this bill which establishes Petro-Canada. I have noted the rather grudging support of the NDP for a national petroleum corporation. I am somewhat disappointed at the calibre of the opposition offered by the Conservative Party with regard to Bill C-8 which proposes to establish a national petroleum corporation. When the Minister of Energy, Mines and Resources (Mr. Macdonald) submitted this bill for second reading last Tuesday and articulated the rationale for a national petroleum corporation, we honestly expected opposition to this matter to be based on substance or the approach of the bill, rather than the time-worn and outmoded argument that private enterprise is being undermined. This is what the PCs seem to be promoting. I think the stage has been reached at which members of the Conservative Party should accept the fact that private enterprise, for all its dynamism and strategic role in Canada's economy, cannot meet all the demands imposed on it.

● (1600)

Bill C-8 represents a bold and constructive effort by this government to secure adequate supplies of energy to meet our long-term national needs. As spelled out by the minister last week, the basic objectives of our energy and resource policies are designed to ensure adequate and reliable supplies at reasonable prices and to acquire a direct share in the wealth which development of our resources generates. We cannot allow ourselves to become embedded in an ideological quagmire that will ultimately sink us into economic disaster. Instead, we must recognize that the role of government is going to increase steadily in areas where the private sector is unable to satisfactorily meet all requirements.

The government has always recognized the vital role of private enterprise in the growth and development of this country and it has no intention of curtailing its continued participation in Canada's future. But the complexities of international trade and the gigantic appetite for energy generated by sophisticated industrial societies dictate greater supervision and control of our economies than can be achieved by a laissez-faire approach.

The decision to propose legislation to establish a national petroleum company was taken only after an extensive and thorough examination of Canada's long-term energy needs. There is no point in trying to devise instant remedies for problems after they arise if we can avoid such pitfalls by taking sound and far sighted initiative which will ensure a steady supply of energy on a long-term basis. To be confident of adequate supplies we need to know as much as possible about the extent and mix of energy resources available in Canada. We have reason to believe that Canada is generously endowed with several energy products—oil, natural gas, uranium and coal. However, our present knowledge as to the extent of Canadian resources of these commodities is limited. In addition, the costs associated with finding and producing these resources cannot be known until they have been located. Some will be in the remote locations of the Canadian north or in underwater locations; others, such as the oil sands of Alberta or the heavy oils of Saskatchewan and Alberta, require the development of new technology to permit extraction of the larger potentials of these resources.

Success in finding large amounts of oil, gas and uranium will permit Canadians to have confidence in the security

of their energy supplies and permit the holding of a level of resources adequate to ensure long-term Canadian needs. The government has taken numerous steps over the years to encourage exploration for these reasons. The investment climate in the industry was supported by our national oil policy ensuring the opportunity to sell Canadian output in Canadian markets. Tax or royalty policies have been framed with the objective of balancing investment incentives and a sharing of the profits of the sale of these resources.

The government has, in recent years, prohibited increased export commitments in natural gas and has limited the export of oil and petroleum products to ensure adequate supplies for Canadian needs. The government has recently indicated its intention to see to the building of a pipeline to Montreal to carry Canadian crude oil to this market which currently depends virtually entirely on imported petroleum.

The federal government has also made numerous investments in energy industries. Eldorado Nuclear Ltd. has explored for uranium; Atomic Energy of Canada Ltd. has developed a successful technology for nuclear electricity generation; Panarctic Oils Ltd. has explored for oil and gas in the Arctic Islands in a joint venture between the Government of Canada and several private firms. These, along with the recently announced Syncrude project, are the most prominent examples of federal investments to develop energy capacity for Canadians.

A large amount of money is needed to carry out further exploration. This work must be done over the coming few tears to locate additional reserves to be made available to the market as the presently known reserves begin to fall short of Canadian needs. The territory which is regarded as promising is vast. The task is a large one. Canadian petroleum resources are known to include a vast potential in the oil sands and heavy oils. There remain, however, significant technological advances to be achieved if the largest portion of these resources is to be extracted.

The government is anxious to ensure that exploration and research activities are undertaken in the expectation that they will yield quantities of oil and gas which are comfortably sufficient for projected Canadian needs over the short and long term. If the resource base proves to be large, it would be our aim to develop as much of these assets as is compatible with our goals for industrial development, employment and high income levels as well as those of security of supply, regional development and environmental protection.

The present prospects for substantial reserves being found are high. The results of drillings to date in the north and of other geological and geophysical work are promising, particularly with respect to natural gas. Similarly, eastern offshore exploratory work has located some gas but not yet in commercially viable quantities. The exploratory work is dependent on the investment decisions of private firms in the industry. These firms quite properly look to the immediate production of resources they discover in order to realize returns on their investment. The holding of significant reserves which would provide a longer period of protection for projected Canadian needs is more properly a public responsibility.

Petro-Canada

The national petroleum company will be empowered to undertake some exploration in Canadian frontier regions and to participate in the funding of research into oil sands and heavy oil production. This company will also be available to stimulate further exploration in the frontier regions. The large job of satisfactorily exploring these areas can be accelerated by the participation of this agency of government. The fuller information on Canadian energy resources and their costs which this should provide will make easier the task of formulating public policy in energy. With this information we will be able to decide more confidently on the acceptable rate of production. The government will be able to avoid an unreasonable increase in prices dictated by a few producing countries prepared to make political use of their oil production. In addition, to its own activities and success, this company will receive for the Canadian public a share of the wealth created by these resources.

In its exploration activities, the corporation will seek to stimulate activity by entering into joint ventures with private firms or by entering into other relationships appropriate to this industry. In this way, smaller Canadian ventures which currently find it difficult to sustain the costly and lengthy exploration effort will be able to participate with others and with a national petroleum company in this work.

In view of the significance which new technological developments in oil sands and heavy oils would have for petroleum supply in Canada, the government is prepared to share the financial burden of this research and development. With respect to the oil sands, this research and development will be undertaken co-operatively with the province of Alberta and those companies in the private sector which have an interest in such work. Federal participation will be accomplished through the national petroleum company so that it can participate in the making of new technology available with benefits for Canadians.

Research is also called for in the development of a capability to extract heavy oils from the deposits in Alberta and Saskatchewan. In addition, the government would want to encourage other promising research into fuels technology. The national petroleum company could stimulate, support and participate in such research.

● (1610)

The government looks to this corporation to help contribute to an increased Canadian presence in the petroleum exploration business. Foreign investment in this effort has not been and will not be refused where it is compatible with Canadian interests. Nevertheless, Canada has the financial and other resources to play a more significant role in the exploration for and development of its petroleum resources. This corporation could add to the Canadian presence by its operations and could seek to operate jointly with Canadian and foreign firms undertaking exploratory activity in Canada.

The exploration and research roles of the national petroleum company would, therefore, have several objectives: first, to advance the definition of the Canadian energy resource base; second, to hold reserves adequate to ensure Canadian security of supply; third, to stimulate the

private sector to further exploration and research work by means of joint ventures; fourth, to permit energy policies to be formulated with fuller knowledge of the volume and cost of Canadian energy resources; fifth, to achieve a greater Canadian presence and acquire a share of the wealth accruing to investors in the petroleum industry; and sixth, to help stimulate improved technology in the production and use of energy from whatever sources are most appropriate.

I should make clear that commitments of this sort are not free from risk. We do, however, have confidence in the Canadian resource potential, and Petro-Canada will be an important instrument in its development. I should also point out that results cannot be expected overnight. This marks the beginning of what will inevitably be a long road marked by successes and disappointments, but contributing in the end to both Canadian income and security of supply.

In this general task of exploration and research for the identification of Canadian energy reserves there is considerable opportunity for all those interested to play a part. The area is vast, the demand for petroleum is large and increasing, and Canadian policy supports balanced development under appropriate safeguards of Canadian interests. The national petroleum company will contribute, along with the present and future investors, to these developments.

Turning now from the development of Canadian resources, an important role may develop for the national petroleum company in the importing of foreign petroleum. While steps are being taken to move Canadian crude to Montreal to supply some of this market, we will continue to look to foreign production to fill a portion of our national petroleum needs. It is, therefore, of considerable importance that all possible steps be taken to achieve the greatest possible security of those imported supplies.

The government may be able to play an important role in purchasing petroleum and petroleum products from foreign markets. The international petroleum markets have been changing and foreign supplies are increasingly in the hands of the governments of producing countries. It is the government's intention to equip itself to deal with these and other suppliers where they are able to provide secure supplies for Canadian needs. The national petroleum company will, if the need arises, operate in international markets as a purchaser of petroleum.

The federal government has long been active in energy industries. The government currently owns an uranium exploration company, Eldorado Nuclear Ltd., an uranium holding company, Uranium Canada Ltd., a 45 per cent interest in a company engaged in exploration in the Arctic Islands, Panarctic Oils Ltd., and a coal deposit in British Columbia, namely, Dominion Coal block which accounts for something like 10 per cent of Canada's entire reserves of coal. These ventures all involve raw materials which are used to produce energy.

Energy sources are interchangeable in many uses. Homes can be heated, for example, by energy in the form of electricity, oil, gas or coal. Electricity can be generated from water power or from oil, gas or coal-fueled turbines. Nuclear reactors using uranium in the Canadian developed CANDU process have proven highly successful in the generation of electricity. This interchangeability will be effected over time by new technological developments and by the costs involved in using one or other of these energy sources in different applications.

Whether under public or private direction, a significant part of Canadian economic activity is located in energy-producing activities. The largest part of this production is vital to other Canadian industrial activities and to the support of the Canadian lifestyle. With its rigorous climate, vast geography and traditionally high living standards, Canada takes a special economic interest in its energy sector. The government has always recognized the special status of this industry. The creation of the national petroleum company will add to the instruments available to the Government of Canada to advance Canadian interests in secure and adequate energy supplies and in the sharing of the wealth which Canadian resource endowments make possible.

I am certainly pleased that this bill has been endorsed by some members of the opposition. I think it is reasonable to expect that the rest of the opposition will recognize the need for this kind of legislation so that the government can better promote long-term energy supplies for the benefit of all Canadians.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, the primary objective of Bill C-8 is to establish a Crown-owned petroleum company within the petroleum industry. In this bill, Petro-Canada is given the authority to explore, develop and exploit hydrocarbon deposits within and without Canada; to carry out research and development projects related to hydrocarbons in other fields; to engage in exploration, production, distribution, refining and marketing of fuel; and, finally, to negotiate for and acquire petroleum products from abroad.

In other words, this bill will give this Crown corporation authority to do everything and anything related to the petroleum industry, from filling gas tanks, changing tires, to running seismic surveys in the South China Sea. No government agency should be given this kind of authority to waste the taxpayers' money; we would be shirking our responsibility if we permitted them to do so. We in this party are opposed to this concept. We are opposed to the establishment of Petro-Canada, a Crown corporation with authority granted to it by this bill. We are opposed for a great number of reasons, but five of the major ones are: first, and probably most important, it simply is not needed; second it is going to be very costly to the taxpayers of Canada, and Lord knows, when filling out income tax returns at this time of year all taxpayers become aware that they are already overtaxed. We need less calls upon our money, not more, and this particular call will be virtually a money sump in terms of expenditure of taxpayers' dollars.

The third reason is that it could, and likely will, be harmful to the existing industry, and rather than aiding our supply situation will in fact exacerbate it, resulting in diminished security of supply for Canadians instead of enhanced security of supply. The fourth reason is that it will deflect public and official attention away from what is the major and significant problem in energy supply in this country, namely, the total lack of a national energy policy. The government's remedy of creating a Crown

corporation so that it will not have to bother addressing itself to this problem or to finding solutions is totally unsatisfactory.

The fifth reason is simply that there are better ways of accomplishing all of the intended goals of Petro-Canada, and indeed of lot of other goals that are not set out as intended goals for Petro-Canada but which should be the intended goals of a rational, national energy policy.

● (1620)

As to the question of whether a national petroleum company is needed, one really need look no further than the government's own document to which the Minister of Energy, Mines and Resources (Mr. Macdonald) referred last Wednesday when speaking on second reading of this bill. He claimed it was published by himself, and I suppose it was, in July, 1973. It contains an extensive discussion of the pros and cons of a national petroleum company in pages 186 to 191 inclusive.

In his comments on this document last Wednesday during the discussion on a national petroleum company, the minister indicated that the arguments pro and con roughly balanced out. That is hogwash. They balance out numerically only in that there are ten reasons for, and nine against. If one looks at the document, examines it and reads the arguments with the least bit of objectivity, he cannot help but reach the conclusion that a national petroleum company is not needed nor is it desirable.

The minister indicated in his remarks that although this report did not in fact come out in favour of a national petroleum company, events subsequent to its publication have caused him to change his mind. I would ask, how much subsequent to that does he mean? In a speech on October 25, 1973, about four months after this document was published, the minister more or less indicated to the House that he had decided in favour of a national petroleum company. One cannot help but reach the conclusion that the minister decided for his own reasons, philosophical or whatever, that a national petroleum company was to be created. He decided he was going to build this empire as one of his accomplishments, perhaps with which to launch his leadership bid upon the retirement of the present leader of the Liberal Party. Who knows why he wanted to create this empire? The fact is that his own document, which I commend to him for reading, states that there is no reason for a national petroleum company because it is not needed.

An hon. Member: He wants to be another Pickersgill.

Mr. Andre: I did commend officials of the Department of Energy, Mines and Resources when they initially published this document. On many occasions since I have commended this document to members opposite and I would suggest that they and the minister should read it. A lot of time and money has gone into its preparation and it contains a lot of good advice. It has come out under the minister's signature, so will hon. members please read the darn thing and follow its advice, instead of floundering around wasting the taxpayers' money and putting our future security in jeopardy?

What are the reasons or arguments pro and con given in this document? As I said, they come out roughly equal numerically, but anyone who looks at them objectively will find that the reasons pro are very thin indeed. For example, it states as argument number one that probably the greatest advantage of a national petroleum company is the social benefit to Canadians in pride, satisfaction and confidence in owning part of the petroleum industry operating in Canada. I suggest we can have that same sense of pride in Petro-Can that we now all have in the Post Office and those other great examples of efficient and smooth-operating government operations. What a lot of poppycock! Ask any Canadian which railway company fills him with pride, the CNR or the CPR.

An hon. Member: The CNR.

Mr. Andre: You had better read Pierre Berton's book. Does Air Canada fill us full of pride? Every experienced traveller that I know of tries to fly CP. Let us consider that successful Crown corporation, Polymer. The most successful part of its operations are international, with headquarters in Belgium. This Crown corporation has its international headquarters in Belgium because it finds the tax and fiscal régime in Canada oppressive. Compare Polymer with CIL an other Canadian company of roughly the same size in terms of capitalization, to see which one out-performs the other.

The Canada Development Corporation is another great Crown corporation that will fill us all full of pride. It recently moved its headquarters to The Netherlands because it could not operate under Canada's tax and fiscal régime. This would be almost laughable if it were not so sad and did not cost Canadian taxpayers so much in terms of money and pride. Anybody who looks at it must feel a little sick to realize that a Crown corporation like the Canada Development Corporation must move to The Netherlands to find a tax régime which will allow it to operate at a profit. This is incredible.

The second reason given in this document for establishing a national petroleum company is that there is a need to increase the level of knowledge of all phases of the operation of the petroleum industry. Whose level of knowledge does that speak of? Clearly, it is the government's. I cannot argue with the suggestion that the government's level of knowledge is insufficient, because that has been amply demonstrated to us. What this amounts to is an admission of incompetence.

With the many hundreds, even thousands of advisers in this huge pyramid behind the minister, they come out with the admission that they really do not have any knowledge of the oil industry. Is this the only way they can gain knowledge, by going into the oil business? As the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said at one time in the House, and I paraphrase him, he had never laid an egg but he did not have to be a hen to know how to make an omelette. He said that in reply to the challenge that he had no knowledge about a subject, and his reply is precisely applicable in this situation.

If the government lacks knowledge, then, for goodness sake, it should fire the individuals who are currently responsible for gathering that knowledge, because there is no reason for them to lack knowledge about any aspect of the oil industry. It is one of the most regulated industries

in the world. Companies cannot get permits without applications to the National Energy Board. That board is constantly holding hearings on one subject or another. The industry is regulated in terms of exports. It is not allowed to drill without provincial permits. There is virtually no aspect of the industry that companies are allowed to engage in without getting a permit of one kind or another. Surely this provides the government with all the knowledge it needs.

If there is any truth in the suggestion that the government can get the necessary knowledge by going into the oil industry, then I would point out that the government has been running the Post Office for a good many years so why in the heck does it not have the knowledge to run it properly? Senator Manning, in a speech in Calgary last Wednesday, stated that any group of oil men in Calgary forgot more between supper and breakfast about the industry than any equivalent number of bureaucrats here in Ottawa would ever learn.

The third reason given in this document is that a national petroleum company could play a role in determining the criteria on which the government might base its policy regarding economic rent collection. Here, again, we have an admission of incompetence. This is an admission that in fact the finance department, in coming up with its scheme for taxation of the resource industry, did not know what it was doing: that is what this document says. They do not know how to collect an economic rent; that is patently obvious. We do not need this statement to know that; we need only look at what has happened to the oil and gas industry, the decrease in the amount of exploration and development that has taken place, and the decreasing supplies in proven, recoverable reserves to realize what serious damage has occurred as a result of the government's tax policies.

● (1630)

However, another aspect which worries me more than ignorance on the part of the government is that this is tantamount to stating that the government has adopted what amounts to a socialist philosophy. I hesitate to use that phrase because it sounds so noisy, so extreme. However, I have always been taught in school, and I still believe it, that the role of government is to fulfil certain expectations and certain obligations through its regulatory functions, its function of redistribution of income, and through a variety of activities which it is called upon to perform. The hon. member for Winnipeg North Centre (Mr. Knowles) called this civilization; I say it is the role of government.

The purpose of taxation is to provide funds to enable the government to fulfil these functions. That is why I and other Canadians pay taxes. We are contributing our bit to maintaining the government in the fulfilment of its roles and obligations. However, what this statement indicates is that in fact the government feels that the total income from the economy belongs to the central government, and that its role is simply to split up the income and then see how much will be left in the private sector. The government wishes to leave enough in the private sector and then find ways of spending what is left. This is a reversal of everything I have believed, have accepted, or have been taught.

[Mr. Andre.]

I think we have reached a very sad state if in fact the philosophy of our government is that they own all the income and have first call on everything that an individual might earn or might gain as a result of his investment, and that we should be grateful for what is left in our hands. I cannot accept that philosophy.

The fourth argument is that a national petroleum company, if it controls sufficiently large volumes of petroleum reserves, will be able to exert an influence on the setting of crude oil and petroleum products' prices. That is a specious argument. The government has prices totally under control. What in the blazes is a national petroleum company going to do? Is it going to fight with the Minister of Energy, Mines and Resources about what the level should be? How can this sort of argument be put forward at the same time as a measure such as Bill C-32 is brought forward?

The fifth argument in the list of arguments in favour of the establishment of a national petroleum company is that such a company would encourage the upgrading and sale of refined products rather than crude oil. We have recently been told by the National Energy Board that very soon Canada will not have oil to sell in any form, crude or refined; indeed, we may not have enough oil with which to heat our homes. So that certainly is an invalid argument.

The sixth argument is that the major integrated oil companies carry out the bulk of their research in the country of their parent corporation, and that a national petroleum company would carry out its research in Canada. That is the first argument that makes some sense. But I hope the Minister of Energy, Mines and Resources does not need reminding that we have the National Research Council, we have a research group in his department which used to be called the mines branch, we have a new energy institute funded by federal moneys in Alberta, we have the Alberta Research Council and the Saskatchewan Research Council, and we have the Petroleum Recovery Research Institute in Alberta. I have named just a few of the research institutes in Canada.

That there should be more money available for research in energy is self-evident, or should be to anybody who has paid attention to the recently published Science Council report. That cannot be argued. But that we need a national petroleum company to funnel the moneys into this research effort is an argument that does not stand up.

The seventh argument is that all aspects of the operations of a national petroleum company would be located in Canada and that we would derive certain benefits therefrom because other petroleum companies have branches of their operations in foreign companies. I do not know how the minister can ensure that the management of this company will have sufficient freedom to operate independently and still guarantee that they will stay in Canada. We have had the recent example, to which reference was made earlier, of another Crown corporation, the Canadian Development Corporation, which moved its headquarters to The Netherlands because it found that it was not profitable to operate in Canada. Is that not an indictment of this government's policies?

The eighth argument is that a national petroleum company would purchase more Canadian-produced goods than other petroleum companies. Again, if it is a commercial

enterprise it will purchase its supplies and goods on a normal commercial basis. If, in fact, the industrial situation, the tax situation and the fiscal situation in Canada are such that most companies go outside our borders to find their supplies, the solution lies in a change in the policies of the Minister of Finance (Mr. Turner), of the Minister of Industry, Trade and Commerce (Mr. Gillespie), of the Minister of National Revenue (Mr. Basford), and possibly of the Minister of Supply and Services (Mr. Goyer), to stimulate demand.

The ninth argument is a beauty. It is that a national petroleum company would act to stimulate regional development in specific areas of the country. Can you see it doing so? Will our national petroleum company drill for oil somewhere where we need economic activity, instead of where geologists and geophysicists tell us it is to be found? The definition of the drilling program will be to look for oil where there is a weak Liberal candidate running and to drill a well in his constituency. It is patently absurd to suggest that any oil company will establish a drilling program on the basis of regional development. However, this is not the first absurd notion we have had from this government.

The tenth argument is that a national petroleum company could play an active role in government relations with other state-owned oil companies from which we import oil. Granted, this could be a role played by the corporation, but we already have a whole spate of Crown corporations which could play that commercial role. Now that the Minister of Supply and Services has some experience in buying oil, perhaps we can go to him.

These are the ten arguments on why we should establish a national petroleum company. Two of them hold a little water, eight are patently absurd and two or three are downright laughable. On the other side, eight arguments are put forward on why the establishment of a national petroleum company at this time is not a good idea. What are the eight arguments? The first argument is that it will cost a lot of money. Darn right it will cost a lot of money! This document estimates that $3 billion to $6 billion will be needed to develop the corporation to a state where it is a significant unit within the oil industry. That is a very conservative estimate. A reasonable estimate of how much of the taxpayers' money will be used before this Crown corporation can reach the stage where it can become a significant factor in the oil industry would be closer to $50 billion.

● (1640)

It is downright irresponsible for any member of this House to give a government agency the authority to spend that amount of our money in an activity about which it knows very little, has demonstrated considerable incompetence, and in an activity for which it is not necessary to have government directly involved.

The second item in this document points out quite clearly that this would be a bad investment and that we will likely get little or nothing back on our money when it is spent. The third item admits that it will be very difficult for a Crown corporation to compete with the private companies. That is a fact. The Crown corporation, without special privileges which will cost us money, cannot compete with the private sector in this high-risk industry. The fourth item acknowledges the point I raised earlier, that in fact a national petroleum company could be detrimental to the existing oil and gas industry, thereby jeopardizing Canada's security of supply and thereby putting our future and our children's future in danger.

The fifth item is an acknowledgement of what I have just repeated. There is no way a Crown corporation can be as efficient as existing companies. Why should a Crown corporation engage in an activity in which it will be less efficient than companies currently operating? The sixth item is again an acknowledgement that the private sector in Canada is doing a very good job. The minister admits that. If the private sector is doing a good job, why try to drive it out of business? If the private sector is doing a good job why come in with some government colossus which will make it more difficult for the private sector to operate, and which will take large amounts of our money? Unless the government is philosophically committed, as are my colleagues to the left, to the state running everything, why do it? There cannot be any reason.

If the government is philosophically committed to socialism, that is fine, but we are looking for rational reasons. I think the Minister of Energy, Mines and Resources is philosophically committed to the state running resource industries, and any members on the benches behind the minister who are deluding themselves with the feeling that they are members of a party which has confidence in the people of Canada, and confidence in the private sector, are in for a fall. If they repeat that nonsense to their constituents, they are also deluding their constituents.

The seventh item points out that we already have a number of regulatory bodies in connection with the energy industries, and that there is bound to be a conflict of interest at some time between the National Energy Board and the national petroleum company. This clearly cannot be in the best interests of Canada.

The eighth item is an admission that this question of chauvinistic pride or xenophobia, which will make us get behind it and really drive this national petroleum company to the front, does not exist because Canadians are just not chauvinistic, they are just not xenophobic, and they will not respond to that kind of rallying cry.

An hon. Member: You want to bet?

Mr. Andre: They are nationalistic, and there is a difference. They are patriotic. They want to see Canadians and Canada developed to the full potential. That is the reason why I am here, but that does not mean I want to turn over all my freedoms, or the freedoms of my fellow Canadians, to some huge colossus operating here in Ottawa.

The government's own documents show very clearly that a national petroleum company is not needed and will be downright harmful. Any objective reading of this analysis cannot help but cause a person to reach that conclusion. For the seventh, eighth or tenth time I commend this document to hon. members of the party opposite. I wish, for goodness sake, that they would read it.

Mr. Paproski: Is that "One Hundred Ways to Conserve"?

Mr. Andre: No, not this document. We are still waiting for that one.

It is going to be an extremely expensive venture costing the Canadian public, by the government's own estimate, $3 billion to $6 billion minimum. It will probably cost the Canadian public at least $50 billion, and in the process of spending that $50 billion we will have very little in the way of increased proven reserves for security of supply. We will have very little in the way of jobs and opportunity for Canadians. We will have very little significant benefit.

It does not require much imagination to come up with a list of about 293 better ways of spending $50 billion than wasting it in this great big money sump. It will be harmful to existing industry. To compete against existing industry this Crown corporation will have to be granted special privileges, special opportunities and special advantages over other companies.

There are limits to the acreage available in petrolific areas. If the Crown corporation will be drilling for oil anywhere with no concern about whether there might be oil underneath the ground, I suppose there are no limits, but if it is looking in petrolific areas, there are limits to that, and most of that land is now leased by existing companies, so the government will either have to buy those leases or break them.

There are limits to the amount of drilling equipment, seismic equipment and so on; the corporation will be competing with other industries, so whatever it uses will not be available to them. How is there any improvement in toto if the Crown corporation robs other sectors of the industry of their equipment?

There are personnel limitations. If the national petroleum company hires expert personnel currently working for the other companies, then those people are no longer available to those companies. In toto how is the country benefitting?

There are capital limitations. What percentage of our gross national product will be allocated to the search for oil and gas? Whatever is taken by the national petroleum company will not be available to the private sector. Things will not be improved one iota, unless the government takes the taxes which it might spend on things like old age pensions and invests them in the oil and gas industry. If the government feels it is more important to build this huge colossus than to try to help Canadians, there is not much we can do but try to convince it otherwise.

● (1650)

It is difficult to reach any conclusion other than that a national petroleum company is going to diminish the amount of oil and gas available for Canadians, is going to diminish our security of supply, is going to diminish our ability to export, is going to increase our dependency on the Middle East and Venezuela, is going to make us more susceptible to pressures from overseas and will damage the economy rather than help it.

The fourth point, Mr. Speaker, and the main reason why we in this party oppose this move, is that it is going to deflect government, public, and private attention away from the need for a national petroleum policy. Such a policy was promised at least five years ago but has never been produced. There has been an excellent analysis of the situation which has the makings of a policy if the government would only produce it. Instead it is trying to deflect attention from the lack of policy by creating this agency.

We must have a policy in order to encourage exploration and development, a policy that will enable companies and investors to construct and operate more tar sands plants. We need a policy that will encourage the upgrading of hydrocarbons to higher grades of fuel, plastics and fertilizers so that we can export a high value product rather than a low value product.

We need a national energy policy that will encourage research and development to find alternate forms of energy. The recently published report of the Science Council of Canada covered that subject fairly well. Regardless of how successful we are in exploiting hydrocarbon reserves, however, the fact of the matter is that they are finite. Eventually we will run out of hydrocarbons, gas and oil, so we have to find alternate sources. The research must begin now and we need a policy to encourage it. It is not good enough to say that we are going to create a Crown corporation to look after the problem. We need a policy that will encourage Canadian ownership of this important industry—not state ownership but Canadian ownership.

The government has no confidence in the people of Canada and does not think that they have enough faith in the country to invest in it. It believes that the little discretionary income we have to invest we would spend frivolously, and therefore it is not going to leave us that discretionary income but will tax it away. That is typical of the government. Virtually every problem in public policy has exactly the same solution, a new agency, a new Crown corporation, a new board—the Food Prices Review Board, the Foreign Take-over Review Board, the national petroleum company—every problem has the same solution. A computer could be programmed to develop that sort of policy, hire a new bunch of people, whatever the problem, create a new agency, give them the problem and then not worry about it any more. The phone book is full of these agencies.

I recently read an article that said there are 60,000 agencies in Italy. One day a man approached one of them in the afternoon looking for somebody. There was only one person there so he asked, "Doesn't anybody work here?" The reply was "In the morning they don't work; in the afternoon they don't come." We are approaching that situation in Canada—no matter what the problem, the solution is to create another agency. Mr. Speaker, even the Liberal Party is going to run out of defeated candidates to staff these agencies.

There is a complete lack of faith in Canadians and their willingness to participate in the growth of this country, or to get together and use their resources to invest in the country and help it reach the levels of which it is capable.

The fifth point is that there is a better alternative. Consider the question of Canadian ownership. On several occasions I have talked about the principal business test in the Income Tax Act which, more than any other aspect of legislation in this country, is responsible for our industries being as foreign-controlled as they are. That one aspect of the Income Tax Act means that it is cheaper for a foreign-

er to drill a well in Canada than it is for a Canadian. That just boggles the mind, Mr. Speaker. I cannot understand how we in Canada can tolerate a situation where a foreigner can invest in this country more cheaply than a Canadian can. Of course that is why the industry is foreign-owned.

It is easier to set up headquarters in the Netherlands and operate from there, but some of us want to stay in Canada and invest here in order that the country may grow. Mr. Speaker, we demand that the government give us this opportunity and stop creating these new agencies and Crown corporations that continually oppress us. Just give us the opportunity. On that happy note, Mr. Speaker, may I call it five o'clock?

The Acting Speaker (Mr. Penner): I thank the hon. member for calling it five o'clock. I was just about to inform him that his time had expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) Health—Effect of poverty on children—Suggested consultation with provinces on adoption of food program; the hon. member for Nickel Belt (Mr. Rodriguez)—Sports—Hockey—Suggestion amateur associations not sign children to contracts—government action; the hon. member for Victoria-Haliburton (Mr. Scott)—Canadian Broadcasting Corporation—Refusal of corporation to supply transcript of program "Ten Lost Years".

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

By leave, shall Bill C-367 be allowed to stand and retain its precedence on the order paper?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CRIMINAL CODE

AMENDMENT MAKING INSULT TO CANADIAN FLAG AN OFFENCE

Mr. Leonard Hopkins (Renfrew North-Nipissing East) moved that Bill C-223 to amend the Criminal Code

(domestic and foreign flags), as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, be concurred in.

• (1700)

Motion agreed to.

Mr. Hopkins moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

* * *

SOVEREIGNTY SYMBOL

MEASURE TO GIVE RECOGNITION TO THE BEAVER AS SYMBOL OF CANADIAN SOVEREIGNTY

Mr. Sean O'Sullivan (Hamilton-Wentworth) moved that Bill C-373, to provide for the recognition of the beaver (*castor canadensis*) as a symbol of the sovereignty of the Dominion of Canada, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

Mr. O'Sullivan moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

The Acting Speaker (Mr. Penner): The House will now proceed to Bill C-203, to amend the Criminal Code (loan sharking).

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

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before that request is agreed to, and since the House seems to be in an agreeable mood, could there be agreement to move on to Bill C-208 in the name of the hon. member for Windsor-Walkerville (Mr. MacGuigan) and send it to committee? I think there is general agreement since the bill has to do with Heritage Day.

The Acting Speaker (Mr. Penner): Hon. members have heard the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles). Is it agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): If someone is needed to move the motion, I shall move it on the hon. member's behalf.

* * *

HOLIDAYS ACT

ESTABLISHMENT OF HERITAGE DAY

Mr. Stanley Knowles (Winnipeg North Centre) (for Mr. MacGuigan) moved that Bill C-208, respecting Heritage Day, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Penner): The House has heard the request of the hon. member for Pontiac (Mr. Lefebvre) that we call it six o'clock. Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Penner): The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock this evening.

At 5.08 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

PETRO-CANADA ACT

MEASURE TO ESTABLISH CROWN CORPORATION

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-8, to establish a national petroleum company, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Frank Maine (Wellington): Mr. Speaker, I am pleased to have the opportunity to give my support to this bill to establish a national petroleum company. The federal government is in a unique situation when compared with private concerns for setting up large scale operations of this nature. The time span between the period of initiation and the full-scale production stage can be appreciably reduced when a venture is backed by the resources of the government.

I very much wish to see the development in Canada of world-scale sized plants producing highly refined petroleum derivatives for international consumption. It is essential that these plants be owned or controlled by Canadians, and it is in this area that the federal government can and should become involved. I am not promoting public ownership of our major industries. I have always been a strong supporter of private enterprise, and I believe that this system makes for greater efficiency. We are presently, however, in a situation where venture capital is not easily obtainable for the purpose of setting up large scale undertakings in the field of energy resources. The development of potential sources of energy is of benefit to all Canadians, and the federal government is fully justified in becoming involved in this area.

I would like at some time in the future to see the gradual movement of Petro-Canada from the public to the private sector of our economy, perhaps through a vehicle such as the Canada Development Corporation. However, until the company becomes firmly established it is necessary that it be operated as a Crown corporation.

This formula has worked successfully in the past. I would draw the attention of the House in particular to Polysar, a company established by the government in 1942 as Polymer Corporation Limited. What began as an emergency wartime operation has grown to become a major competitor in the international synthetic rubber market. Over the years Polysar has developed diversified interests throughout the world.

Since its take-over by the Canada Development Corporation in 1972. Polysar has continued to expand its range of activities, including the attainment of a 60 per cent interest in Petrosar, a world-scale petro-chemical plant currently being constructed near Sarnia, Ontario. This plant, which will produce one billion pounds of ethylene per year, as well as other related products, will be able to compete successfully with similar companies particularly in the United States, because of the economies of scale inherent in the operation. For the first time in Canada, ethylene will be available to us at a price as cheap as, or cheaper than, that available in the Gulf area of the United States. The success enjoyed by Polysar is an excellent indication of the possibilities which exist for similar success for Petro-Canada as a government-supported company.

An assured supply of energy is vital to Canada. There must exist an organization that is willing to gamble in order to make certain that our long and short term energy requirements are met. Petro-Canada will be in a position to take calculated risks with that end in mind. Participation in such projects as Syncrude and Panarctic Oils exemplifies this type of activity. The potential in these areas is enormous but the uncertainties involved make them unpopular areas of investment for private industry.

The terms of reference under which the company will operate are sufficiently broad to allow it to engage in operations involving all other forms of energy. Petro-Canada will therefore be able to act quickly to take advantage of opportunities as they present themselves.

As conventional fuel supplies are depleted, resource development will become increasingly more costly. A nationally owned petroleum company would be able to undertake research and development programs involving risks and expenditures which would be prohibitive for private industry. I feel this is one of the greatest advantages to be gained by the establishment of Petro-Canada. The refining and marketing of oil and natural gas supplies will be a secondary and less urgent aspect of the company's operations. Before nuclear fusion capability is developed—hopefully by the end of this century—our dwindling petroleum supplies will be called upon to provide the bulk of our short and medium term energy. No time must be wasted in finding and developing new reserves of conventional fuels.

Energy self-sufficiency is a goal toward which we must strive. We cannot rely on private industry, with over 90 per cent of that involved in energy development presently foreign-owned or controlled, to attach more than a secondary importance to this goal. International oil supplies are

subject to the whims of foreign governments which may not always have Canada's best interests in mind.

● (2010)

Even while economical and easily recoverable fuel supplies remain, it is essential that the technology be developed now to ensure a continuing supply of energy from Canadian sources. The funding available to Petro-Canada will allow extensive research programs to be carried on. The success of Petro-Canada as a profit making company should be of secondary importance to the object of guaranteeing a continuous supply of energy for Canadians.

One of the most serious implications for Canada of the operation of foreign controlled oil companies in this country is the resultant lack of Canadian control over research and development in this industry. Canada has proportionately little industrial research and development activity, and this is the result of the involvement of foreign companies in Canadian industry. While it is true that Imperial Oil Limited, Gulf Oil Canada Limited and Shell Canada Limited all maintain substantial research and development operations, this activity is directed largely from the head offices of the foreign parent companies. There is no reason for a company such as Imperial Oil, the third largest industrial firm in Canada, with annual sales of approximately $2.5 billion, to be unable to establish a completely independent research and development facility.

Petro-Canada will enable us to achieve this significant goal of establishing Canadian control over a major research and development establishment within the petroleum industry.

While there are presently several options in the energy field which merit consideration, such as geothermal, tidal, wind and solar power, it is necessary that there be a commercial organization capable of translating these possibilities into practice. This is another area of which industrial research and development is an essential component. Over the long term, research should be undertaken into alternate energy forms to enable us to consider using our petroleum supplies solely for the production of plastics. Should the day arrive when we completely run out of hydrocarbons, a company such as Petro-Canada would not become obsolete, as it could modify its operations to enable it to produce the building blocks necessary for the production of plastics. All that would be required would be changing from hydrocarbons for the raw materials used, to carbon dioxide, one of the products of the combustion of hydrocarbons, which can be converted back to organic chemicals through the methanol synthesis process, as has been successfully done in the past. The only problem is one of economics, not technology.

Some hon. members may not be aware of the importance of the plastics industry in this country. We currently consume a greater volume of plastic each year than we do steel, and this industry can only continue to grow in importance.

It is also possible that Petro-Canada, as an able competitor in the petroleum industry, will be a leader in developing an attitude of responsible corporate citizenship among the oil companies. Either by example or through the realities demanded by competitive business practices, Petro-Canada may make the petroleum industry more responsive to the needs of the Canadian people.

That, essentially, is what Petro-Canada is all about—making the oil and natural gas industries responsible to the Canadian people. What is needed is the development of long term goals and priorities in order to guarantee the development of an energy industry within Canada which will be immune to the uncertainties of the world situation.

A central element of the problem of short-term supply with relation to oil is the fact that we will, for some years to come, remain dependent on foreign suppliers for a percentage of our crude oil. Therefore it is important that we maintain a favourable position for negotiating with, in particular, the OPEC countries. There has been a growing reluctance on the part of these nations to deal with large, multinational oil companies, and a preference for dealing with nationally owned companies from various countries. As one of Petro-Canada's primary functions will be to obtain supplies of crude oil, international negotiations will, of necessity, be carried on by the company.

I am certain that the act to establish Petro-Canada will long be regarded as a landmark piece of legislation, one of which all Canadians should be proud. Energy production is of an importance second only to food production in this country, and it is heartening that the present intolerable situation which involves the foreign ownership of such a large percentage of our energy resources is at long last being, in some measure, rectified.

The question of foreign ownership has long been of concern to me, and I welcome this action as a positive example of government involvement in Canadian industry. I sincerely hope that this will be only a beginning and provide an impetus to projects designed to establish world scale sized plants in Canada for the production of high technology content commodities from our vast natural resources. Through action of this nature the government can give Canadian industry the push it needs to break further away from its role as a supplier of raw materials towards a position of being a major exporter of manufactured products.

In reply to those who feel that a nationally owned oil company could not compete successfully with private industry, I would draw their attention to the fact that, besides the United States, Canada is the only industrialized nation that does not have a national petroleum company. As an example of a successful company of this type one may consider the British Petroleum Company. Approximately 68 per cent of this company is owned by the British government. It has long been a highly successful competitor on the international scene, with diversified interests in many areas related to its primary object of developing and marketing petroleum supplies. It is involved in producing many high technology petroleum products, including several families of plastics.

It is too easy to criticize this bill on the grounds that it involves risks being taken with public money. We cannot afford to let this type of short-sighted caution obscure the real nature of the situation in which we presently find ourselves. Few great advancements have ever been made which did not involve risks and the possibility of failure. In this case, however, the chance of being unsuccessful is remote, and the potential for great benefits of no doubt.

Petro-Canada

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I rise to take part in this debate on Petro-Can and to register my objection to the bill, which I will oppose as vigorously as possible.

Not so long ago an English philosopher said that "it is the business of the future to be dangerous". Our dwindling oil and gas supplies, and the failure of governments to do much to remedy the situation, provide sufficient grounds to justify that statement. According to the National Energy Board, by 1985 Canada will be too short of domestic oil to meet our demands in the west, much less take care of Ottawa, Montreal and eastern markets. This estimate is based on projections of new finds and the development of 500,000 barrels a day from oil sands.

Recent events showed how little government has guided us around this maze of problems; measures seem to be more cosmetic than substantive. The national energy conservation program revolving around voluntary co-operation to reduce gasoline consumption by cutting speed will not be very effective. Voluntary guidelines for lowering indoor temperatures, or consideration of improvements in mass transit or building insulation are, at best, of minor significance. Just a year ago the Canadian government boasted that we have exported $200 million worth of oil. Yet in 1975 Canada will be a net importer of oil. Obviously, we must curtail our exports if we are going to be in any way self-sufficient in oil.

Just what is the point of having a national petroleum company? In this highly controlled industry of oil and gas, controlled rigidly at the provincial level which dictates where drilling shall occur, regulates how much of the natural products may be taken from the well, and what the price should be at the wellhead, regulated once again by the federal government once the product leaves the province of origin, with the ability to restrict and prohibit export sales, the addition of a Crown corporation to involve itself in exploration, drilling, refining and marketing seems to be a waste of time, unless the government intends to socialize for the sake of socializing, and to control for the sake of controlling as a philosophy.

The record of this government in dealing with the oil and gas industry must appear to the outside world as ludicrous. The action of the federal government has been to slow down and eliminate private drilling and production in this country, at a time when the National Energy Board has warned of growing dependence on imported oil, when it is questioning exports at its current hearings on natural gas supplies, and is sounding the knell of supply shortfalls for the latter part of this decade, which may already be too late to remedy.

● (2020)

Surely in our present situation in the world there are much more important things to be done than starting a Petro-Can government corporation that will take years to get under way, and its best use in the short run will be to provide a large number of jobs at the taxpayers' expense.

In the activity of drilling, for instance, which is certainly the beginning of the development of an oil and gas field, in 1974 activity in Canada was down a good deal. This year industry sources are looking for a 25 per cent drop in activity as exploration budgets are slashed. The exodus of drilling rigs and the people who go with them surely is cause for some alarm, particularly so because many of these rigs that have gone are of so-called deep-hole capacity. The number of active drilling rigs in Canada has fallen to the lowest level since 1966, according to the best industrial estimates, and in every part of Canada drilling activity is down. Whether this bill is supposed to stop the flight of drilling rigs from western Canada and to provide additional employment is not at all clear.

The obvious problem facing the oil and gas industry in Canada, and the reason for its decline, is the confrontation between the federal and provincial governments. With the price of oil at the wellhead at $6.50 a barrel, 20 per cent of that goes to the federal government, 50 per cent goes to the provincial government, and 30 per cent goes to the industry. In other words, of the basic price of crude oil, approximately 20 cents per gallon, the provincial and federal governments get 14 cents. Furthermore, in the process of refining, manufacturing and distributing, the federal and provincial governments reap additional tax benefits—for instance, the federal excise tax plus corporation taxes, as well as various other local and provincial taxes. I give these figures because I wish to make some comparison with another form of energy, that is, electricity generated by hydro power.

We are assured by scientists and economists that the world is probably entering the end of the gas and oil era, and that likely in the future we will depend on electricity developed from some other form of energy. In my hometown of Dauphin, Manitoba Hydro offers quite a good rate for the heating of homes, something like 1¼ cents per kilowatt. Reportedly this is going to go up shortly, something like a 15 per cent to 25 per cent increase. The cost of heating a house with fuel oil at the present rate, and the cost of heating a house with electricity are approximately the same, with some variation depending on the efficiency of the heating unit employed.

Manitoba is blessed with a large amount of hydro electric power, with a substantial amount still to be developed. Does Manitoba Hydro pay any corporation tax? Of course it does not, and it could not afford to, Mr. Speaker. Does it pay any royalties to the province of Manitoba? Of course it does not, and it does not pay any dividends to shareholders. It does not help to contribute directly to the provincial tax coffers in any form. It does not pay a federal excise tax, and it is fortunate to generate enough capital to expand its operations in order to carry on the business of providing new sources of power.

Even the bonds it must float every year, and usually this is in New York, to develop its plants, are guaranteed by the province of Manitoba, and to this extent they are a charge on the tax base of the people of Manitoba. In addition the federal government has involved itself in providing assistance to develop lines to carry high voltage electricity, to the tune of about a couple of hundred million dollars.

I have no reason to believe that Manitoba Hydro is not a well run organization, but I do think this points up the fact that, in respect of the final cost to the consumer who uses gas and oil, by far the greatest cost is in the form of the tax levied by federal and provincial governments. Provincial hydro electric companies are not able to con-

tribute to the tax base and are even net drawers on the taxpayer's purse under certain circumstances. This also points up the fact that the basic cost of gas and oil is much lower than the cost of a unit of hydro electric power could ever hope to be. Furthermore, nuclear power, as far as I am aware, is an expensive source of electricity, much more expensive than hydro electric power is ever likely to be.

It seems obvious that private industry is much more likely and capable of generating the activity needed to provide this country with a sure supply of oil and gas if it is given half a chance. The main stumbling block is the high level of taxation imposed on the industry by the two levels of government. If investment returns were adequate would we find the present exodus of drilling rigs to the south? Of course our neighbours to the south are not that much better off than we, and they are no more adept at promoting a suitable supply. Both nations seem to be involved in attempting to curtail any increase in the price of the producers for old oil, but they are both willing to pay nations across the water almost any amount they ask for oil, and are seemingly happy to do so.

If the price of oil and gas were raised, the companies would be paying enormous income taxes. If the normal taxation structure allowed too much money to remain in the hands of the oil companies then an excess profits tax could be levied. With the excess revenue the government could well institute a much more effective conservation plan, with alleviation of human suffering, particularly in respect of home heating oil. Surely this would have given a better basis to long-term planning and development of the energy resources required in the future. It makes no sense to scrap deliberately a system that has functioned reasonably well and has provided Canadians with a modest lead time in respect of national interests.

The minister has stated:

> This does not mean that the government finds that Canada has not been well served by private enterprise in the petroleum industry. Private companies, whether Canadian or foreign-owned, have generally worked vigorously to develop our oil and gas resources, to create transportation systems for them and to efficiently refine and distribute oil products. The privately-owned Canadian oil industry has a good record of technical and managerial innovation.

This, coming from the minister, would certainly seem to belie the necessity of establishing this government company at the present time.

● (2030)

The minister also states that the bill contains authority to explore for, develop, and exploit hydrocarbon deposits within and without Canada, to carry out research and development projects related to hydrocarbons and other fuel, to engage in exploration, production, distribution and marketing of fuels and, finally, to negotiate and acquire petroleum products abroad.

This idea that a national oil company will buy better than a private company will need some explanation. For instance, the Minister of Energy, Mines and Resources (Mr. Macdonald) went to Venezuela about a year ago. After he left, the Venezuelan government raised the price and reduced production. When he went to Venezuela a few weeks ago the Venezuelan government again raised the price and reduced production. If he makes many more trips like this Venezuela will be out of business. Perhaps he will be able to trade the Orinoco tar sands for the Athabasca tar sands.

There is not much evidence that a government company in the long run will be in a position to negotiate much better than a private company. Provision is made for authorized capital but little detail is given. Many questions must be answered. Does the federal government intend to acquire and lease provincial lands and set up its own rules, regulations and so on? Is this a means by which the right of ownership of provinces will be negated? Is this the intention of the government? Certainly Petro-Can, leasing and drilling within the provinces, and backed by the federal government, will want to be top dog over any provincial authority. Will it even want to adhere to any provincial regulations particularly if ordered not to do so by its federal boss? All these questions must be answered.

Now I should like to speak for a few moments about the problem of our balance of payments and how this relates to the oil situation at this time. A year ago we had a balance of approximately $200 million in oil trade in our favour, and yet this year we are faced with a deficit of approximately $500 million or $700 million. This amount could even be greater, and it is apparent that this situation could continue.

Today in the House the Minister of Finance (Mr. Turner) stated that we would have a balance of payments deficit of $4 billion to $5 billion. Surely this is an enormous sum. Are we to import money? He mentioned he hoped this would be solved by the balance of payments inflows, and presumably by investment money. Where will this money be obtained and where will it be invested? What about the government's plan to control foreign investment and the board which has been set up to phase out foreign investment which is not, so-called, for the good of Canada? Certainly this is a great problem.

The government has phased out all the oil drilling companies and the oil and gas wells it might have used to provide some much needed foreign exchange. Almost certainly we will be faced with the fact that we will have to develop Canadian trade dollars before many months or years have gone by. This balance of payments problem is a very large one which will affect all of us. It will reduce our level of activity. It will reduce the standard of living for our people, or at least prevent a rise in our standard of living.

By this bill the government has served notice that it has no confidence in private industry developing oil and gas reserves. By its taxation policies and by its failure to reach agreement with the producing provinces on taxation, it has shown little thought for the long-range viewpoint of the industry. I think Petro-Can can be considered as a forerunner for the complete takeover of the oil and gas industry by the government. It certainly will not in any way contribute to investment by private or mutual pension funds, the funds on which we rely for investment in this industry. So, Mr. Speaker, this is not a good bill, and I hope it will be defeated.

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, last Wednesday the Minister of Energy, Mines and Resources (Mr. Macdonald) spoke on second reading of Bill C-8, to establish a national petroleum company. The

weak and misleading arguments he put forward in his speech on the bill indicate either a complete lack of understanding of how to achieve his stated energy objectives, or that the national petroleum company is part of a deliberate grand design to stifle and strangle a viable petroleum industry so that Petro-Can, with the Canadian taxpayers' dollars, can attempt a move into the void created when the private sector is forced to vacate.

The minister's opening words set the stage for his fallacious arguments. He stated that "the national interests now require a significant degree of federal public enterprise in the oil and natural gas area." He also said that the bill is a "most important element in the government's long term planning to secure adequate supplies of energy to meet our national needs . . . at reasonable prices as well as a direct share in the wealth which development of our resources generates."

The minister has implied that the national oil company is the answer to adequate and reliable supplies of energy at reasonable prices for Canadians. On the basis of this phony argument, he and the government are deceiving the Canadian people in the hope that Canadians will buy this, and thus support the principle and the need for a national oil company. Most important, however, is the signal and warning throughout the minister's speech that fundamental changes in the free enterprise system are about to take place. The oil industry has in a few short years—and I hope the NDP member and the minister are listening—brought this country from a position of complete dependency on imported oil and gas to its place today where it is the only developed country in the world which can claim self-sufficiency in energy.

Mr. Benjamin: How come we are not?

Mr. Bawden: We are slipping away, and the British Columbia and Saskatchewan NDP governments are making a contribution to the pending shortfall.

Under a guise of nationalism and security of future energy supplies, this government is about to change, perhaps dramatically, a formula which succeeded at least until the government began to tamper with the marketplace and resource taxation policy. Of considerable concern, Mr. Speaker, is the effect that entry of a national oil company will have upon investment by the private sector.

There is real and legitimate concern by those in industry that, by reason of operating under different rules and special advantages relating to taxation, land acquisition and access to the collective confidential geological information of the whole industry, the Crown company will in a meaningful way further erode the ultimate achievement possible by private resource companies. This simply adds to the long list of uncertainties which face the oil and gas industry. There can be but one result—further uncertainty, further erosion of confidence and thus, further cutbacks in industry budgets. The greater the reduction in budgets by industry, the greater the apparent need for government investment of taxpayers' dollars.

● (2040)

These concerns are much greater as a result of the horrible track record of the government in the past two years. The simple fact is that the government is not trusted. Since future energy reserves available to Canadians will be in direct proportion to the dollars invested, any cut back will reduce our reserves and thus our ability to produce in future years.

In summary then, Mr. Speaker, it is critical that the government spell out in full detail the answers to concerns expressed by the oil industry, for the crisis of future supply would be magnified many times if a further reduction took place in the activity of the private sector. What may have appeared to be a simple step taken by the government could seriously and adversely affect our already frightening energy prospects.

One of the realities of the 1970's is the increasing role that politics is playing in the energy policy-making of virtually every country in the world. In this unfortunate development, however, Canada is near the top of the list. The minister's remarks make it very clear that Petro-Canada will not be an oil company which will simply serve to search for reserves and increase Canadian presence. It is clearly going to be a tool of government which will be motivated by political expediency.

This is obvious from the minister's statement that the company's criterion may be modified in the terms of job opportunities or the development of particular parts of Canada, as he said. It is hard to believe that a national petroleum company would have any significant impact on increased employment benefits relative to existing oil companies unless the minister has in mind additional opportunities at large salaries for future defeated Liberal candidates.

An hon. Member: That is what the Tories do.

Mr. Bawden: Hon. members opposite may be very glad of these opportunities in the future if this bill should pass.

The suggestion that a national petroleum company could act to stimulate regional development in specific areas of the country opens the door for political abuse in the extreme, and suggests that many money disposal wells will be drilled. The white paper of June, 1973 stated "there are many areas in Canada with a petroleum potential which, for a variety of reasons, are not attractive to the private corporation". The cost of finding, developing and transporting oil to market from the most attractive areas of Canada is already exceedingly high. It appears that the government, for the sake of regional development or local politics, intends to look for oil and gas at any cost with public funds where chances of finding reserves may be remote.

It is a further programmed and planned folly by this government and this minister to direct the expenditure of funds of the national petroleum company in areas that are known to be less attractive areas for petroleum potential. A national oil company that is motivated by regional considerations would almost certainly be expending its dollars where the votes could be bought, and we all know in this House that this is not likely to be in western Canada.

The minister outlined in the House the factors which, in his words, "tipped the balance decisively in favour of federal entrepreneurship in the oil and energy industries". He pointed out that the government's energy white paper

produced in the spring of 1973 followed a long period of tranquillity and stability in domestic as well as international energy affairs. He went on to say that since that time changes have been radical. What the minister should have said, if he was speaking frankly, was that on the domestic scene in Canada it was during the long period of tranquility and stability that great accomplishments were realized by the oil and gas industries that brought our country to its enviable place of self-sufficiency. He should have said that during this period massive programs utilizing new technology, spending large sums of money and undertaken at great risk, were well under way in the Canadian Arctic and in off-shore areas of the east coast.

The minister's reference to "radical changes" which have taken place could only have been a reference to the actions of the federal government which, in turn, triggered so many protective reactions and moves by the provinces. It was these radical changes which were handed to the country by this Liberal government that have reduced the level of confidence in the oil and gas industries to its present very low level. The low level of confidence of energy investors today is the principal reason that our country's economic future is so seriously threatened.

As I have said in the House before, in a few short years Canada will be importing over 20 per cent of its oil needs, rising to over 50 per cent by 1985, unless drastic changes are made. I have pointed out to this House as well that the balance of payments problems in the years ahead are going to affect seriously the economic status of every Canadian.

The minister in his remarks on Bill C-8 had made a number of references to the concern of the government about the supply of oil and gas in the future. In fact, eight times in his short presentation he stressed the need for adequate supplies, secure supplies, expanding our supply potential, assuring long term future supply, assurance of supply continuity, and the pressing need for the development of resources. There is something very strange and sinister in the statements made by the Minister of Energy, Mines and Resources. He has laid extreme emphasis on future energy supply, but his colleague, the Minister of Finance (Mr. Turner), has all but killed a healthy industry with his tax measures.

Somebody is lying about the objectives of the government. On one hand we are being told that the government believes that the national interest now requires a significant degree of public enterprise to secure adequate supplies of energy to meet our national needs. On the other hand we were told on March 5, in the standing committee of the House, by the Minister of Energy, Mines and Resources that he sees in Canada at present a healthy and vigorous oil industry progressing toward higher and higher levels of activity. The fact is that the reduction in expenditure by the industry in this year alone, due to the policies or lack of policies of this government, will amount to more than the entire capital of Petro-Can, which I understand is to try to make its funds last for some years. I repeat, Mr. Speaker, that just the reduction in exploration expenditures by the private sector this year will be greater than the total capital proposed for the national oil company.

The minister as usual made a number of additional wild political claims which indicate how out of touch he is with the realities of the business world. I might say that I have seen very few ministers of the present government who do not fall significantly into that same category.

The minister's comments regarding joint ventures with smaller Canadian controlled firms seem to suggest that the purpose of the joint venture thrust in the bill is to assist the smaller Canadian controlled firms in providing funds for exploration in the frontier areas. Surely the objective of financing exploration in frontier areas could be achieved in far more efficient ways than by forming a national oil company. If the federal government is really concerned about the ability of the small Canadian controlled companies that finance exploration programs, I would suggest that the government could achieve its objective of encouraging these small companies by providing adequate incentives for frontier area exploration. If these adequate incentives are provided, smaller Canadian controlled companies will be better able to raise the necessary funds and continue their programs.

On the subject of frontier exploration, the minister and his government have been promising for at least five years that regulations for the Northwest Territories and federal government lands off-shore would be clarified in the near future. The minister has told me that in the House on several occasions. The land order which dealt with a certain key portion of the rules under federal lands was revoked on April 15, 1970. Thus just one month from now it will be five years. During this time the industry has continued to spend thousands of millions of dollars without any knowledge as to how the corridor lands and frontiers will be treated.

● (2050)

Mr. Benjamin: What about Indonesia, and the British in the North Sea?

Mr. Bawden: The hon. member to my left speaks about Indonesia and the North Sea. If the government of this country were to adopt the practical attitude and the stable rules of the government of Indonesia—

Some hon. Members: Oh, oh!

Mr. Bawden: Mr. Speaker, let me say that I have had some personal experience in Indonesia, and there is hardly a company in the world which would not say that the rules and the government of Indonesia have proved to be far more stable than the government of Canada.

For the benefit of the hon. member to my left in the NDP let me say that the socialist government of Great Britain has taken a progressive and effective step to ensure that exploration and development of their reserves will continue. If this government were to go even half as far as the socialist government of Great Britain, many of our problems in this country would be eliminated.

Mr. Benjamin: Pay attention, Don.

Mr. Bawden: In Alberta, corridor lands in the past have been sold back to the oil and gas industry on a competitive basis. The federal government in 1970 declared a moratorium on the issuance of any new permits or leases on old

permits, and there has not been a federal land sale since 1969. This is just another example of the 180 degree effort this government is making in comparison with every other government in the world.

Surely the minister should provide immediately to the people of Canada an answer to this vital question of oil regulations. The absence of such regulations, however, is just a further reason why exploration activity is falling off. In case the minister does not know this, Panarctic has just sent to its shareholders material relating to budgets for 1976. These shareholders must by April 14, less than a month from now, respond regarding their willingness to be committed to the next round of financing. It is obvious that supplies to be utilized during the first half of next year must be ready almost immediately so that shipment can be made this summer because of the shipping conditions and ice conditions in the Canadian Arctic. Is that minister aware that absence of action by him could result in substantial cutbacks and setbacks in this company, an important exhibit in the government?

Undoubtedly the most farcical contradiction of all in the statements made by members of the government, including the Prime Minister (Mr. Trudeau), is their unwillingness to recognize that since the oil industry began in Canada no meaningful incentives have been provided to Canadian citizens to invest in this important industry. Thus, in the absence of Canadian dollars, exploring companies, both foreign and Canadian, were forced to seek funds and partners in the United States and elsewhere. The high percentage of foreign ownership of our oil and gas industry is by design of the Liberal government. It has virtually assured the continuing foreign ownership which the government pretends to attack at every opportunity.

Considerable emphasis has been placed by the minister in his speech on the creation of a national oil company by the government for, in his words, it will bring to the petroleum sector the social benefits to Canadians of the pride, satisfaction and confidence of owning a portion of this important Canadian industry. I see the minister is leaving. He cannot bear hearing the truth. He cannot face up to this.

Again the minister conveniently overlooks the fact that 150 or more independent oil companies are operating in Canada. A large percentage of these are Canadian owned or controlled. I am sorry to say that many of these Canadian companies are forced to spend a percentage of their budgets outside Canada, and many are being forced to move away. Immediate steps must be taken by the government to encourage the corporate growth and strength of this group of companies in Canada for our own good.

The policies of the government, however, in the last two years have penalized our own Canadian oil companies which form a significant part of the industry. It should be borne in mind that these companies in recent years have done some 80 per cent of the exploratory drilling in the western provinces. But equally as important, they make up the Canadian segment of the industry which is such an important part of the policy which is claimed by the minister to be important to the government.

The best solution for all would be the emergence of independent and strong investor owned Canadian oil companies numbering as many as possible. It is necessary, however, to create favourable tax policies, otherwise this important sector in the industry will be the first to die and the first to disappear.

Our present Canadian owned and directed corporations are examples of just how little pride, satisfaction and confidence have been inspired in Canadians by their presence. Canadians now own, subject to outstanding loans of $4 billion, a railroad, the CNR; a postal service; an airline, Air Canada; the St. Lawrence Seaway; a heavy water plant at Glace Bay; a communications network in the CBC, and a Department of Indian Affairs and Northern Development which is looking after our native people. Have any of these government undertakings generated pride, satisfaction and confidence in Canadians? How can one believe that government entry into the exceedingly complex petroleum industry will be any more successful or profitable than the government's history of action to date?

Social satisfaction will not provide the capital, technology and long term positive energy policy required to meet Canada's energy requirements. Who knows, the national oil company might be as successful as the Post Office.

Some hon. Members: Oh, oh!

Mr. Bawden: Surely Canadians have had a bellyful as a result of the problems created by the government's inability to handle its own labour relations. Any significant move into areas proposed by the bill, such as pipelines or oil transportation, could leave the country with a problem far exceeding the current mess on the labour scene in Canada. Imagine the consequences of a small number of employees shutting down an important energy artery while bargaining with the bottomless pit of dollars available to the government, which the same employees know is clearly not available from a corporation with limited resources.

The minister gives as a further reason for a state owned oil company that most of the oil exporting countries have their own state oil companies. He goes on to say that the obvious interest to be served, the Canadian interest, is that of importing at lower cost than private companies are able to do.

I defy the minister to find a country in the world which will sell oil to this country at any bargain price, even if the minister's own sweet personality were present on the scene to assist in the bargaining. The minister also stated that such a company would offer greater assurance of supply continuity. Most of the state oil companies of exporting countries have stepped in by way of take-overs of existing reserves which are often projected to have a life of 25 years or 50 years or more. Thus further successful exploration is not particularly critical. Much the converse is true in Canada where the national petroleum company would be commencing operations with no oil and no people, just a government. In addition, Canada has approximately ten years of oil supply left from current fields.

● (2100)

Mr. Benjamin: Where have you guys been in the last few years? Why have you not been drilling?

Mr. Bawden: What about Saskatchewan? There are two rigs drilling in Saskatchewan. I am surprised that the hon. member from the NDP is not afraid to speak up on this.

Mr. Benjamin: Not a bit!

Mr. Bawden: Canada has approximately ten years of oil supply left from current fields, and due principally to political actions and interference by this government our country is now working on its very modest inventory against that date projected by the National Energy Board in the near future when Canadians will be forced to go short.

A state company, for the very reason that it is a state company, must bear the nation's nationality, its immigration policy, its trade policy, its defence commitments, and so on. For that reason it is exceedingly difficult for a national petroleum company to play an effective role with petroleum companies of other countries. The petroleum companies, as they are multi-national, are far more likely to be efficient, flexible and businesslike in finding, developing, moving and selling oil. In any event, other departments of government could perform this function, were it ever required. This, Mr. Speaker, was demonstrated during the Arab oil embargo last year. There were many countries, such as Holland, that would not have received their required supply or in many cases any supply of oil. It was only possible due to the flexibility of those large companies that were trading oil, in many cases on the high seas, where swaps and switches were made to keep the fires burning and the industries of the world moving.

How then, Mr. Speaker, should the government achieve its objective of collecting for Canadians their share of the wealth from the oil and gas industry? If a review is made of dollar receipts from oil production since 1947, considerable insight is provided into who got the wealth.

Between 1947 and the end of 1974 the Alberta government received by way of Crown sales, rentals and royalties just over $6 billion. To the end of 1973, approximately the same period of time, the petroleum industry spent approximately $21 billion and received back by way of income, before tax, $21.3 billion. In other words, Mr. Speaker, it has taken the industry as a group almost 30 years to recover its investment and show a slight favourable balance.

Of course there are successful companies and there are unsuccessful companies, and members of the NDP constantly point to those that have been successful. They have not had much to say about those that have not been successful, although perhaps their first candidate may be Saskoil and other associations sponsored by the Socialist government of Saskatchewan. The oil and gas industry is continuing to re-invest and it is likely that this net favourable return to industry will not climb in the near future to a significantly greater positive balance.

It seems very clear to me, Mr. Speaker, that the way to succeed financially in the oil business is to lease out, farm out, and utilize every other measure at hand to entice others to spend money on your land, while at the same time collecting a reasonable level of royalty. Something over 25 per cent of the total funds realized by the province of Alberta were as a result of Crown sales of lands which were returned to the government subsequent to discoveries. These lands were offered for sale by competitive bid to all comers. There was no risk to the province of Alberta. Its return of some $6 billion over this period, since 1947, compares to the one-third billion or one-half billion dollars to the oil and gas industry cumulatively. Even to the Minister of Energy, Mines and Resources and hon. members opposite it should be clear how governments, or anybody who holds control of the ultimate land leases, should deal if they have any interest in participating in the wealth.

It is interesting to note that the United States government has taken in something in the order of $5 billion in land sales off Louisiana during the past three years. Some of these individual sales brought in cash bids totalling well over a billion dollars, some close to a billion and a half. In a recent one the total was $1,400 million. It seems to me that receiving this kind of cash on the front end prior to any determination of whether oil and gas reserves exist, while at the same time collecting a royalty and income tax on the ultimate profit, could hardly be bettered in finding a way for Canadians to participate in the wealth, and without risk of taxpayers' dollars.

I read recently about a purchase which was made by a group of large companies in the Gulf of Mexico off the state of Florida for over $300 million. I later learned that some four dry holes have been drilled on the structure underlying the lease, and in all probability after total expenditures of close to $400 million the exercise will be a complete write-off. That, Mr. Speaker, is the way that the federal government should be involving Canadians in the oil and gas industry, by collecting the bonus bid and farming out the leases, but not by taking the risk. This practice has been followed in Alberta, not only under a Conservative government but also for many years under a Social Credit government.

A last but important area that needs to be considered by this House and by the standing committee is the list of powers to be accorded to this national petroleum corporation. Since I have mentioned the costs of exploring in the Gulf of Mexico—and I might say that many areas of the world require substantial advance cash bonuses—I note with considerable interest that the national petroleum Canada company is to have powers to go abroad and operate outside Canada. I ask why? Could it be that the national petroleum company has also foreseen and is beginning to understand that the climate in this country is not attractive to investors with petroleum dollars? I hope that later in this debate the minister will tell us what percentage of the company's funds will be invested in foreign countries.

The national oil company may, according to the minister, participate in the transportation of petroleum products. The minister says transportation is a natural extension to the company's efforts "by assuring that the energy resources it helped to find and develop are brought to the Canadian consumer without undue delay and at least cost". Mr. Speaker, I doubt if anyone in Canada who examined this statement would accept it as either fact or truth. We have only to look today at the significant role the government is already playing in transportation, and to check the record for deliveries. Western farmers have

lost many millions of dollars due to the fall in the price of grain during the lengthy period of time when other excuses have been given for non-delivery. This has greatly harmed our international reputation. For the minister to say that the government might move oil or gas without delay and at the least cost is just another exaggeration being presented to the Canadian people.

I read recently a comparison which I thought interesting. In 1956 the oil industry moved by pipeline a 300 pound barrel of oil from Edmonton to Sarnia for 64 cents. By 1973 this transportation cost had been reduced by 25 per cent, to 48 cents per barrel. During this same period the federal postal service cost to transport a post card increased 100 per cent from four cents to eight cents, and the delivery period, as everyone knows, for the Post Office is completely uncertain. Surely this track record suggests that any transportation task anywhere should be kept as far away from this government, or in fact any government, as possible.

● (2110)

The minister was reported last year in the press to have stated that the new corporation may nationalize existing oil companies. This must be clarified in detail, with explanations as to what basis the national petroleum company would be permitted, if it wished, to acquire other firms. How would the price be set, and would an unwilling seller be committed into a forced sale?

If, in fact, it is the basic purpose of the government to increase exploration and development, how can this be accomplished by the national oil company if its funds are utilized for acquisitions rather than for new exploration activity?

A great deal of emphasis is placed in the bill on the powers which the company will have to lend money to persons dealing with a corporation, and to those proposing to do business with the corporation. In addition it will be permitted to endorse promissory notes, to guarantee loans for others, and will have many other such powers. This is even extended to guarantee money for charitable or benevolent objects. This certainly needs explanation for, by some stretch of the imagination, these terms of reference could include the Liberal party campaign funds.

The company will also be permitted to carry on any business capable of "benefitting the corporation or that the national petroleum company can conveniently carry on." This suggests that such a company might in fact go into the cattle business.

I am reminded of the story of the man from Calgary who visited his friend in the cattle business. The friend had a very high priced bull and the city visitor had gone out to see it. When he arrived at his friend's ranch he noticed that the bull was hitched up to and pulling a plough. He was very surprised. He asked his rancher friend why this very high priced prize bull was hitched up to a plough. The rancher replied, "I just want him to learn that the cattle business ain't all romance." I say to the minister that the government of this country will learn in a very short time that the oil business "ain't all romance".

The company will also be empowered to invest in ventures related to exploration, which I presume could mean seismograph contracting, drilling contracting, or presumably the banking business, as the powers mentioned do not seem to preclude the making of production loans to companies which might consider doing business with the national petroleum company. Those who vote for this bill are giving the minister and the government a blank cheque, a cheque which will be drawn on the account of the taxpayers of Canada.

The extremely broad powers of the corporation provide no limits as to where an over-zealous minister or government could lead the country by way of this unbelievably constituted entity.

It is time for the minister to stand up and prove the need for the government to perpetrate this bill, this corporation, and these activities on the people of Canada. This country has been well served by the oil and gas industry. I suggest there is no place for the government of Canada to invest taxpayer's money in this high risk industry when appropriate and more favourable alternate ways to achieve fully our objectives are open to us.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I rise to participate in a debate on a different subject from last evening. However, it is similar in at least one respect. This was pointed out by the hon. member for Calgary South (Mr. Bawden). We are now being asked to write another blank cheque for those who sit on the treasury benches. I am no more disposed to signing my name now than I was last night.

This is a rather unusual situation. As has been pointed out, we have had extensive labour problems over the past year. We still suffer from double digit inflation, and we are witnessing an ever-increasing rate of unemployment. What does the government have to propose to solve these problems? Nothing that bears materially on them. The Minister of Finance (Mr. Turner) admits that the forecasts on which he based his November budget were all wrong. However, he does not propose any changes in government policy.

We are faced with a series of pieces of legislation that may have some effect on the economy of this country in the distant future, but nothing to meet the requirements of today. The bill before us is a gross example of that. The minister admitted it will take 15 or 20 years for this child of his to reach maturity. I do not know if it will ever get there. In fact I hope it is stillborn. It will do absolutely no good for this country. It can only do harm.

As the hon. member for Calgary South and others have pointed out, among the nations of the world we have been very fortunate in being self-sufficient in petroleum products. That self-sufficiency did not come over night. For the first 70 or 80 years of our national existence we were dependent on others for our supply of petroleum products. Fortunately, governments in the late forties, the fifties and most of the sixties had policies which gave some incentive to the private sector to develop the resources we have been blessed with, and we became self-sufficient.

What is the situation now? The Trudeau government is forcing us into self-imposed shortages. For no good reason we will be short in petroleum products before the end of this decade. The federal government is solely to blame for this. This bill is but another step along that road.

In introducing this bill the minister said this is one of the most important methods by which the government is going to ensure an adequate supply of petroleum products in this country. I scoured the rest of his remarks to find out how this will be achieved. I am certainly not satisfied with the minister's bald statement that this bill will put oil in the ground. If it did, I am not satisfied that members opposite would have the wit to get it out even if they put it there themselves.

Some hon. Members: Hear, hear!

Mr. Schumacher: Something else concerns me. I would like a commitment from the minister at a fairly early stage in this legislative process. Who is going to run this great and glorious organization that is being set up? The bill seems to indicate that the Minister of Energy, Mines and Resources (Mr. Macdonald) will be the great Czar over this organization. I suppose for the time being it will be him. We have had other examples where ministers have piloted legislation through this House so they could later get a job at public expense. One need only recall the case of John Whitney Pickersgill who created the Canadian Transport Commission solely for his own self-aggrandizement and the benefit of his bank account.

I was interested to note last fall, when this abomination was first introduced, an article by Richard Gwynn. Mr. Gwynn is generally well-informed about what is going on over there, having served the government in an executive position at one stage in his career. He suggested that perhaps the minister himself would like to be the chairman of this organization. I would welcome some assurance from the hon. gentleman now that he would never accept an appointment as chairman or president of this organization.

● (2120)

An hon. Member: Are you kidding?

Mr. Schumacher: I suppose it is too much to expect that such an assurance will ever be forthcoming. But if it is not we are left with the thought that possibly the minister might not be unwilling to see himself as chairman or president of this corporation at some future date. If it is not the hon. gentleman, then it will probably be that great mining promoter from British Columbia who is now labouring in the Privy Council Office, or is it the Office of the Prime Minister, the man who has a great record in mining in this country, Jack Austin. Well, I would not have any more confidence in him than I would in the minister. I should like to have some assurance that there will be competent people running this corporation if it is ever established.

The minister said in his opening remarks that an attempt would be made through this legislation to increase the supply of petroleum. Again, how will this be done? The minister also said nothing would be done about prices. He did not tell us how he intended to deal with inflation and the growing expense of finding this offshore and frontier oil. He seems to be looking for the most expensive oil to be found, yet at the same time he is promising Canadians the lowest prices. All in all, this second reading speech of the minister's is really beyond belief. He goes on to say that the—

> —economic, technical and environmental problems of developing energy resources in our geographical and technical frontiers have, if anything, been magnified by the passage of time.

That is an interesting statement. I suppose what he is really saying is that the costs of coping with these circumstances have been subject to inflation, like everything else. But he implies that somehow Petro-Canada will overcome the effects of inflation. Again, I ask how Petro-Canada will do so. Further on in his speech the minister says:

> The government does not feel assured that the private sector can be relied upon to mobilize the enormous amounts of capital which will be required to secure energy development consonant with Canadian needs over the longer term.

It is obvious that as long as the type of government we have in this country remains in office—

Mr. Basford: Good government.

Mr. Schumacher: What is so good about it? If it is so good, why have we gone from a period of surplus to a period of shortage?

Mr. Benjamin: Because of free enterprise.

Mr. Schumacher: I am glad the Minister of National Revenue (Mr. Basford) is satisfied with this government. At any rate the minister of energy is not satisfied, that the private sector can be relied upon to provide the capital needed. I wonder why he is not satisfied. I wonder whether it could have anything to do with the fact that his government is presently taking over half of the proceeds of the sale of the oil now being produced, leaving 48 per cent to the others and at the same time, I believe, encouraging the provincial governments to step beyond their bounds? I am referring to royalties higher than are justified within provincial jurisdiction. Anyone can see that the companies have not brought this situation upon themselves; they have been forced into it by the action of the federal governments, in concert with provincial governments, making it impossible for them to set aside adequate pools of capital.

The attitude taken by the government is a ridiculous one. It says the companies cannot provide sufficient capital yet it ignores the fact that it is the governments concerned which have created the problem. The problem having been created, we are asked to approve the setting up of yet another bureaucracy in an attempt to solve it. No doubt this will be of great benefit to the taxpayers of the country—I say that ironically because I cannot imagine any situation more likely to cause shortages or oblige them to pay higher prices for petroleum. That is the role upon which the government has embarked.

Later in his speech the minister tells us that another reason this capital might not be available is that the companies are faced with "attractive investment opportunities and geological possibilities abroad." But why should they be offered more attractive investment possibilities abroad? What is wrong with the investment possibilities in this country? Why doesn't the government create a climate which can compete with the climate anywhere else?

Some hon. Members: Hear, hear!

Mr. Paproski: There is no incentive at all to be successful in Canada any more.

Mr. Basford: The climate here is a good one.

Mr. Schumacher: The Minister of National Revenue is really an amazing person. He shows abysmal ignorance of the whole subject. He talks as though the hon. member for Calgary South has any control over his own rigs in that respect. My hon. friend does not drill on his own property. He responds to requests from customers, and if they do not want to drill in Canada I suppose the hon. gentleman would like him to leave his iron to rust here, go out of business, throw people out of work, and pay no more taxes to the federal government. He hasn't taken anything away on his own account. He may have responded to the exigencies of the business community, but I will allow my hon. friend to clarify that point himself if he wishes.

Mr. Bawden: If I may, I would just like to clarify the situation for the benefit of many members opposite who have taken various opportunities to make uninformed remarks. The company in which I was involved, and in which I still have an interest, is one of the few drilling contracting firms in Canada which has not moved a rig out of this country in the last two years since the government messed things up.

Mr. Schumacher: I thank my hon. friend for clarifying the situation. I wonder how long it can last though, because the level of drilling has now fallen to the level of 1966, nine years ago. In the last year or year and a half there has been a phenomenal drop in activity, and it is probably going to get worse.

● (2130)

I was talking about the investment climate, Madam Speaker. Canada has not been made the best place in which to invest, and this reminds me of another problem created by the activities of the government and its predecessors. I refer to the situation where the government said it needed a Foreign Investment Review Board because so much Canadian industry was owned by foreigners and we had to bring a halt to this.

The petroleum industry is held up as an example. The government says that because it is 90 per cent foreign controlled, this is bad. If it is bad, why did it allow the situation to develop? The government has had a tax regime in this country that has made it impossible for Canadians to own or develop their own resources. Then when development does take place by so-called foreigners, the government sets up a Foreign Investment Review Board to control it. This is another example of creating a problem and then setting up some silly, one might say stupid, government body to solve the problem.

The minister also uses the excuse that there are uncertainties about the importation of oil and that it will be necessary for the government to deal with foreign owned oil companies in order to acquire sufficient supplies for Canadians. It does not display much confidence in the activities of Petro-Can when the minister says in one breath that it will solve our supply and price problem, and in the next breath says it is needed because we must deal with foreign owned oil companies in order to assure supply. I wish the minister would get on track and tell us exactly what he is going to do with this bill.

Why do we need a new organization to import oil? We already have the Canada Commercial Corporation which is 100 per cent state owned. I might say its record is not too good so far as its attempts to solve our supply problem last year is concerned. Hon. members will recall that it bought some Roumanian, Hungarian or Bulgarian oil, or oil from one of the Balkan states, which is so full of sulphur that it cannot be used, and we ended up losing $14 million to $15 million on the deal. Is this the kind of government action that is going to assure our supplies of oil at the lowest possible price? First of all you cannot use it; secondly, it cost two or three times the price of oil that could be obtained somewhere else.

The government has shown no capacity to supply energy at a proper price to Canadians. At the same time companies have supplied surplus oil—oil which was coming out of their ears—and natural gas which they did not know what to do with at the lowest possible price. If I were to criticize those companies in any way I would say that they kept prices too low for too long. This has not been good for the conservation of a depleting resource but the record of the industry on the whole has been too good.

Then the minister goes on to say that it would give Canadians a great deal of pride to have Petro-Can. The hon. member for Calgary South also referred to other Crown corporations. If the government were sponsoring a corporation the shares of which are available to Canadians, and Canadians had a good prospect of receiving a dividend, then they might have some sort of pride in the organization. But that is not what is being proposed in this mess that is before us. This corporation will issue 100 shares which will be owned exclusively by the government and which are non-transferrable. So how can anyone have any sort of connection with an abortion like that?

I can cite Air Canada as an example. How many people are proud of that organization? Certainly I do not talk to many who are. That is a corporation that pays no taxes yet runs up deficits. At the same time other organizations operating in the same field pay taxes, their shareholders pay tax on the corporations' dividends, and they provide better service to boot.

The minister says that he will have an honest company which will be subject to the disciplines of the profit and loss statement. The most charitable word I can think of to describe that is baloney. I do not care how thin you slice it, it is still baloney.

Mr. Alexander: Garbage is a better word.

Mr. Schumacher: I can think of better words too, but I will be getting into unparliamentary language. This bill is not worth a pinch of the proverbial. On top of saying that we will have all these wonderful low prices and assured supplies, the minister is going to use this corporation as a vehicle for regional development. I ask you, Madam Speaker, does this mean that Petro-Can is going to drill oil wells where there is no oil just to make work and build up the economy in an area? You drill oil wells where you expect to find oil, not where you are trying to build up the local economy. If this company is being formed for the purpose of artificially stimulating the local economies of

various regions in this country, then it may as well be called—

Mr. McKinnon: An OFY grant.

Mr. Schumacher: —a super duper OFY grant, as suggested by my hon. friend from Victoria (Mr. McKinnon). Or else it is going to be the ultimate in pork barrelling. I can imagine during the next election campaign Liberal candidates saying, "If you elect me I will make sure that Petro-Can drills an oil well in this constituency". The whole thing is just beyond belief.

Then the minister goes on to say that this corporation is going to have a great social conscience and is going to train the native people of this country.

An hon. Member: Perhaps it is going into the dredging business.

Mr. Schumacher: I do not know whether we are dealing here with a vocational school or an oil company. Either you have an efficiently run oil company that is designed to get oil out of the ground at the cheapest possible price in as large a quantity as possible, or you have a vocational school. I do not think an oil company should be used as a vehicle for training the labour force. Certainly we should have training and retraining programs for our native people, and for all others in this country who require them. But let us not do this through the use of a Crown corporation that is supposed to provide oil and gas in abundant supplies at low prices.

Then the minister makes a comment about being subject to the disciplines of an operational statement and the balance sheet. As my hon. friend, the hon. member for Hamilton West (Mr. Alexander) characterizes that, it is just garbage.

● (2140)

Mr. Alexander: Right on.

Mr. Basford: Are you going to speak too?

Mr. Alexander: I will if you want me to.

Mr. Schumacher: Toward the end of his remarks he says that there may be areas of exploration not undertaken by private sectors because commercial returns are not easily defined by the corporations involved or because they are deemed to be too far distant. We have had a situation for the last four or five years during which there have been absolutely no ground rules on which the number of companies operating in the Arctic could rely.

Mr. McKinley: They change them every second day.

Mr. Schumacher: They did not change them because they did not have any. They abolished the land use regulations that were established in 1961, and have not replaced them with anything, so in actual fact the hundreds of millions of dollars spent there by the private sector in the past four or five years have been spent totally on speculation because companies do not know to what rules they will be subject. I do not think there is any evidence that the private sector in this country is anything but cautious about how it spends its exploration money. I think these companies are to be commended for spending the money they have in spite of the lack of any ground rules set down by the government. In any event the minister does not think they will continue, and I suppose this is a normal thought. I am sure he would not operate on the basis of the faith displayed by this government over the past number of years.

The minister also said there might also be areas of exploration which are not being pursued by the private sector because of the financial burdens involved, and these are cases where the national company would carry out exploration activities on its own. I do not think the private companies have shown any evidence of behaving in that way. I suggest that it is not a function of this proposed company to explore in the most costly and least likely areas to produce oil and natural gas, but that seems to be the implication of what the minister is saying he wants it to do. Again I say I cannot go for that type of policy. The minister has shown no practical sense at all in the drafting of this bill, or in his ideas put forward in respect of this proposed company and what it is supposed to do.

The minister has also suggested that it is bad that the petroleum industry is 90 per cent foreign owned. I suggest it is better to have an industry that is 90 per cent foreign owned than to have no industry at all, and that would have been the case if they had not come into Canada. There certainly never were any policies of this government or its predecessor to give Canadians any break at all in respect of the development of their own resources. There is still no indication that the government wants to give any incentive to Canadians to develop their own resources, except through the direct route of socialism.

An hon. Member: Hear, hear!

Mr. Schumacher: The only way Canadians can rightfully develop their own resources is through direct ownership and development by the federal government.

An hon. Member: That's a pretty good idea.

Mr. Schumacher: I hear the hon. member for Regina-Lake Centre (Mr. Benjamin) suggesting that this would be a good idea on the part of the federal government. If it is such a good idea for the federal government I wonder why that philosophy has not succeeded in the form of greater development of oil and natural gas in his own province.

An hon. Member: It is.

Mr. Schumacher: It is, is it? I find it rather strange that this creature called Sask Oil, which has now established rather elaborate offices in the city of Calgary, is so active in Alberta buying gas from that province at the price Alberta wants to charge, when it will not make the same arrangements with producers of natural gas in the province of Saskatchewan. I find it a rather strange and unusual attitude that the people of Saskatchewan will go to Alberta and pay what the market there demands, but will not give the same deal to the producers who are finding and producing in the province of Saskatchewan. That does not seem to make sense.

The final solution of the government appears to be nationalization of the industry for the benefit of Canadians, even though we have numerous examples that nationalization does not work.

One of the most objectionable parts of the minister's statement is his reference to how the Canadian oil companies, which he says are largely foreign owned, treat their employees. He states, and I quote:

People are a company's most important resource and the Canadian petroleum industry has developed over the years a highly competent group of professionals who have become experts in all phases of industry operations including its management. The majority of these are employed by foreign-owned companies. The corporation will offer opportunities which are commensurate in challenge and scope, and as its role may ultimately be just as diverse as those of some large international companies, it will provide a good training ground for Canadians wishing to link their careers with the oil industry in the service of Canada.

I should think that all employees of existing oil companies are quite proud of the job they have done in serving Canada, making this a surplus area with low cost fuel. I resent greatly the implication that these existing companies are in fact grinding the faces of the poor in their relations with their employees, and that it now is a fortunate thing the government of Canada has come along with a vehicle to save them from the clutches of foreign owned corporations. That is unworthy of the minister, and it is at total variance with the facts. It has been my personal experience that these so-called foreign controlled oil companies have had exceptionally good personnel policies and relations.

So we are left with a proposal that is contradictory in its terms, and with no evidence that this will solve our problems. It is part of government policy to ensure future energy requirements. It is interesting to note that this is probably the only country in the world that is still subsidizing the use of gasoline by its citizens. That is a rather peculiar way to approach a situation in which we can see a shortfall in this depleting resource in the future. Nevertheless the government's policy is completely contradictory, with nothing going in one direction. I think it is a shame that this is the only industrialized area in the world not experiencing an upturn in exploration activity for oil and natural gas at the present time. In fact the converse is true. Our exploration activity has fallen to the 1966 level. The government should be doing something to create the proper atmosphere so that we can return to the conditions that created our former favourable position.

● (2150)

We have seen an admission of defeat by the government in the recent announcement that it will have to cut off oil exports very shortly. This will create problems in respect of balance of payments, and other difficulty in respect of our economy. I see nothing in the statement of the minister to show that the government has any idea about how to get back on the right track. This idea certainly is not the answer.

Many people have said that how much good or damage this proposed vehicle could cause will depend on how it is used. I suggest there is no guarantee concerning how it will be used. I would hate to see this vehicle established because then it would be available for my New Democratic friends, and their type of inspiration, if they ever got hold of the levers of government. I can well imagine what they would do if this type of organization were in existence. So in conclusion I say, as I said at the beginning, that I hope this little baby of the Minister of Energy, Mines and Resources will be stillborn.

Mr. Sinclair Stevens (York-Simcoe): Madam Speaker, I am particularly pleased to speak this evening, and probably also tomorrow afternoon, on this bill because I believe it is one of the more important bills to come before this parliament. I realize that the flunkies on the other side of this House who blindly support the government are impatient to get home tonight, but I suggest that their impatience with the taxpayers' money of this country will be their undoing. This is the sixtieth Crown corporation to be created, if it is created.

Some hon. Members: Hear, hear!

Mr. Stevens: Madam Speaker, I hope the record clearly shows that the applause came from the Liberal government benches, because I think it is time the people of Canada understood that the official opposition is the only party in the House which is standing up to oppose more public intervention in the private sector.

The Minister of Energy, Mines and Resources (Mr. Macdonald) in introducing this bill said one thing with which I agree. Let me repeat it. This appears at page 4036 of *Hansard*. At that time the minister stated:

We harbour no illusions that establishment of a national petroleum company is likely to lead to early and spectacular results in terms of massive energy development or financial success. I want the House to know that we are going into this venture in full realization of the fact that the hazards of exploration risk, technical and commercial uncertainty await this venture.

I say it is important not only that the House be told what the minister has stated but that the people of Canada be told what he has stated.

I referred to this as being the sixtieth Crown corporation to be inflicted on this nation. Let us take a look at the record of some of these Crown corporations that the government members have applauded so wholeheartedly. Let us start alphabetically with Air Canada. I would recommend that members on the government side pick up the new issue of "The National Finances" for 1974-75, which is published by the Canadian Tax Foundation. They should read it because it has a complete record concerning the Crown corporations about which they are overjoyed. I shall begin with Air Canada. The net profit of Air Canada for 1973 amounted to $6.1 million, down from the 1972 profit of $8.6 million. Federal loans to Air Canada totalled $253.8 million at March 31, 1974.

Next we have Canadian Arsenals Limited, a real beauty. It is shown here that financial statements for the corporation's year ending March 31, 1974, reflect a loss of $1.8 million on sales of $4.6 million. At March 31, 1974, loans to and investments in Canadian Arsenals Limited stood at $3.5 million.

Here is another real beauty, the Canadian Broadcasting Corporation. Prior to 1953 the CBC deprived part of its revenue from a radio receiving fee. The report goes on to describe how that fee was abolished and substituted by

direct appropriation from the treasury. On March 31, 1974, the equity account stood at $1.8 million. Advances to the corporation for capital expenditures at the same date totalled $197.9 million, and working capital $9.6 million. In short we have a description of the almost unbelievable loss position the CBC has incurred over the years. I would recommend that these hon. members who so blindly support the government compare the record of the CBC with the record of any of the similar private, networks in the United States or Canada to see whether they should be proud of the financial results of the CBC.

Let me touch on the Canadian Commercial Corporation. Here we have a corporation which had gross expenditures of $7.7 million in 1973-74 and gross revenues of $2.1 million.

The Acting Speaker (Mrs. Morin): Order, please.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—EFFECT OF POVERTY ON CHILDREN—SUGGESTED CONSULTATION WITH PROVINCES ON ADOPTION OF FOOD PROGRAM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I chose tonight to follow up on my question of March 10 to the Minister of National Health and Welfare (Mr. Lalonde) because I am really bothered by the result of the study on "Poor Kids" by the National Council on Welfare. It is impossible for me to understand why 1.6 million Canadian children are living in poverty when we take into account the wealth of our nation and the percentages related in the report. For example the highest proportion was in my province of Newfoundland where over 45 per cent of our children are in families with incomes below the poverty line.

● (2200)

Similar figures relate to other provinces, such as 42 per cent in the Northwest Territories, 37.3 per cent in Prince Edward Island, 38.4 per cent in Saskatchewan, and so the list goes on. One finds it sickening to read about some of the actual cases and the conditions under which they exist. I can say only that I can support these facts from my personal experience.

But the question we have to resolve is how to correct this embarrassing situation. The minister had indicated, and rightly so, that from a constitutional point of view the responsibility lies with the provinces under the Canada Assistance Plan. I realize, as he indicated in his answer, that social services are now under study. He also said recently that he hopes that we will see a guaranteed annual income by 1976.

We already have a pretty good family allowance program which nationally amounts to $22.08 per child per month, and two provinces go beyond that amount to $41.68 in Quebec and $33.60 in Alberta.

Social assistance payments have increased over the years, and evidently our social security benefits compare favourably with the rest of the world.

Nevertheless, Madam Speaker, in spite of all our generous programs something must be drastically wrong with the direction of effort of many provinces and of the federal government when we see these startling and sickening figures. We must stop brushing off the problem with the stock answer that it is the responsibility of the provinces, and we must take the lead in correcting this disease of poverty.

The hon. member for Winnipeg North Centre (Mr. Knowles) in a motion he introduced recently recommended that the report should be required reading for all members of parliament. I agree with him, but I think it might be worthwhile to list a few of the pertinent points contained in the report.

The report states that, first, poor children are more likely to miss school due to illness, to be victims of home accidents, and to exhibit hearing and speech impairment.

Second, disadvantaged children are more apt to contact rheumatic fever, hepatitis, meningitis or tuberculosis.

Third, undernourished children are retarded in their height and weight development, suffer from physical and mental retardation, and a greater percentage of them has a history of diabetes. This happens in spite of the vast medical insurance plans which have been in existence for years.

The study refers to the lack of medical research in the search for solutions to the effects of poverty among children. I do not have the time to list some of the more pertinent points which they make with regard to medical research.

All this is happening in our wealthy country at the same time as medical costs reach uncontrollable proportions. We now have another report, to go along with all the others such as the Senate poverty report, namely, the nutrition survey, to indicate the alarming situation which exists with regard to our youth.

I do not say that the answers are simple, but it is obvious that we are trying to correct the problems experienced by our youth after the fact rather than at the right time.

The report makes a very valid point concerning how the physical and mental development of the fetus can be affected by the inadequacy of the mother's diet during pregnancy because she is poor and cannot afford nutritious food, with the result that the child pays the price of that poverty in stunted health even before it is born.

I recommend to the minister, first, that this matter hold high priority in his further meetings with provincial ministers of health. Second, I recommend that our priorities change with regard to our physical fitness programs so that greater attention is paid to physical development

rather than to the achievement of excellence in a few children's sports with restricted participation. I am a strong advocate of our physical fitness program, but we must change our priorities because it is the weaker person who needs most leadership, guidance and coaching so that he will grow up to be a more healthy citizen. If we can provide many programs such as the OFY, or student exchange programs, if we can ask our youth to participate with initiative in many other citizen oriented programs, why in the world can we not provide a program whereby organizations in conjunction with school boards can supply nutritious food supplements in schools?

I feel very embarrassed when I receive letters such as this one from a school board. It reads:

> Thank you for your efforts on our behalf. Believe me they are deeply appreciated even though the results of your efforts have come to nought. The supplementary diet program for the schools under our board in Corner Brook area is functioning on a restrictive basis with funds supplied by two local parishes, and two local organizations.
>
> I might point out that it is very difficult to secure funds for any ongoing project because people think that government should furnish funds.

He goes on in his frustration and finishes by saying that maybe he should tell them that the hungry children are "doing dope":

> ... then we could get funds to help "solve the problem". Maybe we could get some of the surplus eggs and chickens for a lunch program but that would no doubt upset the market price or some damn fool thing.

This is the frustration school boards and teachers are facing.

Finally, Madam Speaker, if such a large percentage of our population is composed of children, as indicated in the report, when we face these alarming problems which should be in the mind of every member of parliament, I think it is time and it is vital that the government appoint a full time minister of youth so that we can direct the efforts required to develop the more important segment of our society—

The Acting Speaker (Mrs. Morin): I am sorry to interrupt the hon. gentleman but his time has expired.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, I would like to refer the hon. member to the answer given by the Minister of National Health and Welfare (Mr. Lalonde) on March 10, 1975. The answer is as follows:

> ... this matter comes under provincial jurisdiction. All social services are now under study with the provinces within the context of the social welfare review.

I would also like to add some supplementary remarks to the answer given to the hon. member.

First, it should be understood that there is no lack of nutritious food in this country. Recently the department moved to strengthen an already strong situation by proposing that the restoration of certain nutrients to staple foods and substitutes for staple foods be made mandatory. I refer specifically to the addition of vitamin D to all milk, vitamin A to all skimmed and partly skimmed milk, vitamin C to fruit drinks, and B vitamins and iron to flour.

[Mr. Marshall.]

Second, the nutrition Canada survey, which examined more than 4,000 school age children in the provinces, found little or no evidence of nutrient deficiency, certainly none which would be expected to prevent participation in school activities.

There is great interest throughout the country in school lunch programs and the quality of food available in schools. While I am pleased to note this interest, I would stress that there is a need to evaluate both present and proposed programs. The health protection branch of the department is currently collaborating with the government of Alberta in just such an evaluation of a new school lunch program in northern Alberta. They have offered similar assistance to the evaluation of programs in Manitoba and British Columbia. Only by such evaluation can we be sure that dollars spent on school lunch programs are not misspent.

Finally, the federal-provincial nutrition committee has undertaken the preparation of guidelines for the development of school lunch programs which will be available to all school and health officials. I will send the hon. member a copy if he so wishes.

SPORTS—HOCKEY—SUGGESTION AMATEUR ASSOCIATIONS NOT SIGN CHILDREN TO CONTRACTS—GOVERNMENT ACTION

Mr. John Rodriguez (Nickel Belt): Madam Speaker, last Thursday I raised a question in this House, and it was directed to the Minister of National Health and Welfare (Mr. Lalonde). I asked the following question:

> In view of the fact that the minister was approached last year with respect to the case of 16 year old Michael Laffrade of Toronto who was prevented from playing hockey because he had signed a contract with an amateur team, and in view of the fact that the minister had expressed outrage and incredulity at the effects of that contract, and in view of the fact that the minister on the program "Ombudsman" had promised to speak to the CAHA about this situation, would he inform the House if he has contacted the CAHA and instructed it and its affiliated bodies to cease and desist from forcing children to sign contracts or forms which restrict their opportunities for playing hockey?

I further asked:

> In view of the fact that many more cases similar to that of Michael Laffrade have surfaced this winter, will the minister inform the House as to what steps he is prepared to take to ensure that children do not become embroiled in legal disputes in the pursuit of voluntarily playing amateur sports in this country?

The minister preferred to duck the issue by repeating that he had contacted the CAHA, and he said nothing else.

The CAHA is the governing body for amateur hockey in this country. Participating players must sign CAHA registration forms to be able to play hockey in Canada. Because of its monopoly on amateur hockey, if you do not play for one of the CAHA teams you do not play hockey at all.

It is this registration card which has created a very inhuman and most undesirable form of slavery. In fine print above the signature of the child are the following words: "I hereby agree to abide by all the rules, regulations and decisions of the Canadian Amateur Hockey Association."

What about the rules? One would think that these rules are pretty easy to come by. They are as scarce to obtain as gold these days. They are not easily available to the

players, and indeed most of the children do not know what they are signing, and neither do their parents.

● (2210)

For your information, Madam Speaker, there are 174 pages of rules, 36 pages for the CAHA, 100 pages for the OHA and 38 pages for the MTHL—the young Metro-Toronto Hockey League. Among other things one rule forbids any team from signing or even trying out a player who was with another club the previous season, as long as that club has a team in the player's age division. It runs a minimum of two years, the year he plays and the following year. Thus he is indentured to the team.

Another rule establishes boundaries for teams, and players who live within those boundaries must play for the team within that boundary or get a release. Another rule gives the league the authority to specify which team a child will play for outside his boundary. Some children and their parents have tried to defy this slave trade and have sought recourse through the courts. But here again the CAHA has a rule, rule 145, which states that anyone doing so is liable to an automatic indefinite suspension unless the court finds that the CAHA acted contrary to the rules of what the CAHA terms "natural justice".

The comments of Mr. Gordon Juckes, executive director of CAHA, are rather eye-opening. He says:

> Where you have a voluntary organization whose members belong only because they want to, it seems only sensible that people abide by the decisions of their fellow members. You shouldn't take an internal fight to the courts. It would be the same if you were a member of a golf club. The sport should be allowed to settle its own problems.

It is fairly obvious then that the CAHA is an association of teams rather than players, and players are owned by teams, and the rules are those which the team management adopts. The CAHA is all heart, and Mr. Juckes is filled with understanding when he says:

> In my 20 years with the CAHA, I've never seen the rule against people going to the courts used. Last year, one boy wanted a transfer from Ontario to British Columbia, which both the branch and the CAHA refused to give. He went to court and got an injunction. We didn't suspend him. He went and played in Victoria just as he wanted.

It is quite clear that amateur sport is highly organized and professionally administered with only one aim in mind—prepare players for the professional leagues. There is much talk of playing for enjoyment, physical exercise, and personal development. Indeed the federal government has recognized this in legislation entitled the Fitness and Amateur Sport Act.

Section 3 of this act states:

> The objects of this act are to encourage, promote and develop fitness and amateur sport in Canada . . .

This section also permits the minister in his pursuance of the objects of this act to "assist, co-operate with and enlist the aid of any group interested in furthering the objects of this act".

Several questions arise over this matter, Madam Speaker, which I find very difficult to understand, and I hope whoever answers can clarify them for me. First, when a child signs those registration cards, is that a legal binding document, especially in view of the fact that these players are minors? Second, if a minor's signature on a contract is worthless, why is the CAHA allowed to use it to cow children and their parents into submission? Third, why does the Minister of National Health and Welfare, who is responsible for amateur sport in Canada, not intervene and instruct the CAHA to cease and desist? After all, the minister certainly did not hesitate to intervene in keeping out an American league football team from Toronto.

Why do children have to sign any contracts at all? If the philosophy is "participaction" at this level, and it should jolly well be, then that becomes the reason for the team to exist.

What percentage of the children who start at the squirt level of hockey in Canada are still playing hockey at the midget level? I suspect that the percentage is very low indeed.

Some provinces have undertaken studies into hockey and have come up with recommendations for the creation of provincial hockey councils, or ombudsmen, to oversee amateur hockey. Probably these are worth-while suggestions, but I think the most immediate step is to eliminate this particular practice of contract signing by minors. Perhaps it may just motivate us to make participation much more of an enjoyable experience for our children.

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

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, during the past year the minister has communicated with officials of the Canadian Amateur Hockey Association on several occasions on this matter, and most particularly in the case of Michael Laffrade. His case is as follows: Michael Laffrade wrote to the North York Rangers Hockey Club asking for a release. His request was not acceptable to the team. As a result, the player and his legal counsel asked the Metro Toronto Hockey League for a special hearing, which was given to him.

After hearing his appeal, the MTHL executive committee denied the application for a release. I have been advised that during the hearing no satisfactory reasons were advanced as to why this player wished to leave his present team, nor did he indicate with what team he wished to become associated.

From this time it would appear that neither Mr. Laffrade nor his lawyer took any further steps to resolve this matter. Although appeals to the MTHL board and the Ontario Hockey Association were additional avenues open to them, no such appeals were lodged. Alternatively, neither did they follow up on the other method of redress which is open to all Canadian citizens, the courts. Nevertheless, a place was still available within the organized MTHL body for this player to participate.

I understand that staff from the program "Ombudsman" went directly to the MTHL and on January 17, 1974, at the invitation of the MTHL, attended their board meeting at which time it was assumed they had ample opportunity to clear this matter to their satisfaction.

After reviewing this matter, the following facts are relevant. Mr. Laffrade signed a current card last summer voluntarily. The team with which he signed made every effort to assist him in becoming a regular and active

member of the team. When this did not satisfy him, he evidently obtained legal assistance, but there was no pursuit of the matter through the normal hockey channels to final conclusion, nor did he resort to the method of going to the courts. Finally, the North York management went out of their way and put extra effort into assisting this player, not only in his "domestic problems", but also in resolving his hockey problem of transportation.

It is not the intention of the federal government to force a consequential change in the CAHA's team membership structure. This structure is intended to protect the teams, one from the other, and not to restrict the individual player's rights. In my opinion these rights are fully protected if the normal procedures are followed.

I wish to assure the hon. member that the minister has made many representations to the Canadian Amateur Hockey Association, and the government has exerted its influence in this regard while respecting the autonomy of this national sport governing body. As far as the federal government is concerned, the matter has been settled. Under the circumstances that I have outlined I can only suggest that if a person wishes to effect any changes, he or she should continue to work within the present system. The hon. member also referred to Bill C-2. I remind him that this bill is presently before a committee of this House. If the hon. member so wishes, he has ample opportunity to oppose any suggested amendments or to propose amendments of his own.

CANADIAN BROADCASTING CORPORATION—REFUSAL OF CORPORATION TO SUPPLY TRANSCRIPT OF PROGRAM "TEN LOST YEARS"

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, I never thought I would have to rise in my place and demand that the government order the publicly-owned Canadian Broadcasting Corporation to stop broadcasting pornography and smut.

On February 3 I asked the Secretary of State (Mr. Faulkner), the minister responsible to the House for the CBC, if he would see that any future programs scheduled on CBC would be cancelled if they were no less insulting and of no higher quality than the show billed as "The Ten Lost Years".

The minister said simply that he would make my representation known to the corporation. The minister must have known that that would not answer my question, nor would it settle the issue that I raised. I did not ask the minister if he would make my representation known to the CBC. I could have done that myself. What I asked the minister to do was to take some action to ensure that CBC programming would be made more acceptable to the people whose tax money is used to run the corporation.

On February 13 the hon. member for Mackenzie (Mr. Korchinski) asked the Secretary of State similar questions concerning CBC programming, and the minister replied that it is the policy of the government not to instruct the corporation. I think that we all have a right to ask who does instruct the CBC in the name of the Canadian people if it is not their government.

[Miss Campbell.]

● (2220)

I do not know of any government agency or Crown corporation which is not instructed and monitored by the government. I had always been under the impression, Madam Speaker, that this was one of the roles of ministers of the Crown. If there are any government corporations which are not monitored and instructed by the appropriate ministers, then it is time to find out which ones they are and to bring them under the control of parliament without further delay.

The Secretary of State, Madam Speaker, is well aware that it has never been accepted policy to turn a publicly-funded agency or corporation loose and allow it to function as it pleases. The mere fact that public money is involved not only makes such a policy unacceptable, it makes it illegal, and I should not have to make that point to the minister.

The point I am making now, and will continue to make until I get some action, is that no broadcasting facilities in Canada can be allowed to operate without some degree of continuing scrutiny and instruction by the appropriate government minister. The broadcasting medium in any country has a tremendous influence on public attitudes and views, and it has the power to mould public and private morality. This power must be used with restraint, and it must be used in the best interests of the majority of the people.

John Hirsh, the head of CBC television drama, told the Commons broadcasting committee this week that CBC has a responsibility to give the viewer "not only what they think they want, but what the artists know they will want once they try it and once they get to like it".

I have received hundreds of letters from viewers expressing disgust with the type of drama being presented in prime viewing time on CBC, and almost as many telephone calls. All but four of them support my position in this matter. Other members, perhaps all members of this House, have also received letters from constituents, and I believe the CBC has been deluged with complaints.

Some people have sent me copies of a form letter sent out by CBC and headed "Dear Viewer". This indicates to me that the corporation does not take these complaints seriously. Why should it, Madam Speaker, when its own minister states publicly that he does not intend to instruct the network? The form letter tells the recipient that the author of the book "Ten Lost Years" was satisfied with the television adaptation.

I have to agree with a letter I received from the president of a local Council of Women in which she asks the question: whose rights are we supposed to protect, those of the parents and the decent citizens, or those of the smut peddlers? I have received many letters from people who lived through the depression years and every one of them states that the program was not a true presentation of that era; they say that the filth and pornography portrayed in the program only degraded the people and undermined their fine efforts to get through a serious depression.

It has been suggested that anyone who does not want to hear vulgar language or see pornography on television can turn the dial or turn off the set. What an irresponsible thing to suggest. There are people in parts of this country

who only have access to two channels on television. and there are some places where there is only one channel. Why should people who pay to support the CBC be told that if they do not like to watch filth and garbage on their screens they can turn it off?

The CBC must be told immediately to clean up broadcasting in this country. This year the corporation is asking for $352 million in public money. That is a lot of money. It belongs to the Canadian people, and someone in the cabinet has to accept responsibility for the way in which it is spent. This is not a request. It is a basic necessity.

[*Translation*]

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Madam Speaker, further to what the hon. member for Victoria-Haliburton (Mr. Scott) has just told us, and more specifically to the question he put to the Secretary of State (Mr. Faulkner) on February 12 last, I wish to assure the House that when an hon. member asks the CBC for a tape recording of a program heard over the waves reserved for its broadcasts, usually the CBC accedes to his request. Almost invariably, the tapes requested deal with information, documentaries or current affairs programs; the CBC supplies this type of tapes every year to a great many hon. members.

However, with regard to plays televised by the CBC, they fall into a somewhat different category. The CBC feels that they form a whole, where sound and image cannot be dissociated, if the whole is to keep its artistic value. Thus sound and picture must go together if a fair and honest assessment is to be made.

For the above reason, Madam Speaker, it has been the established practice of the corporation to organize for members a screening of a program which they would like to see again. Quite recently, for example, some members attended, at their request, a screening of the drama entitled "Heads, Guts and Sound Bone Dance" which was shown by the CBC last year.

The CBC has already let it known, Madam Speaker, that it is still prepared to show to the members concerned the telecast "Ten Lost Years" to which the hon. member for Victoria-Haliburton referred in the House on February 12. You can be sure that as soon as the transcription is available, an official of the CBC will communicate with the members who have indicated that they would like to see that program again.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, March 19, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

POST OFFICE

SUGGESTION EMPLOYEES RECEIVE PAY CHEQUES BY MAIL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I rise under Standing Order 43 on a matter which on the surface may not appear to be of urgent and pressing necessity but which recognizes that we are fast approaching the end of the month when pension cheques will be going out. The House is well aware of the firm belief of the Postmaster General (Mr. Mackasey) in incentives within the work force as well as his commitment for increasing the efficiency of the Post Office. Since a great many businesses across Canada suffer from an interruption in the postal service, and since the lives of many Canadians, especially those depending on pension incomes, are frustrated by a disruption in the postal service, I move, seconded by the hon. member for Oxford (Mr. Halliday):

That the Postmaster General be instructed by this House to institute a policy whereby all postal employees will receive their pay cheques through the regular mail service using the postal code.

Mr. Speaker: Order, please. The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43, it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

AGRICULTURE

REQUEST FOR DEBATE OF NEW MILK POLICY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss a very urgent matter.

Owing to the very serious situation of eastern producers as a result of the new dairy policy, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That an emergency debate be held in this House as soon as possible on the forthcoming new dairy policy, about which producers have not been consulted, taking into consideration this strike which more especially deprives eastern producers of the feed grain essential to their production.

Mr. Speaker: The House has heard the hon. member's motion. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

* * *

[*English*]

COMMUNICATIONS

B.C. TELEPHONE—PROPOSED INVESTIGATION OF PRICING PRACTICES AND AMOUNTS PAID PARENT CORPORATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the B.C. Telephone Company is now requesting a rate increase of some 20 per cent before the Canadian Transport Commission and received an increase just last month, in view of the fact that the minister of communications of British Columbia has requested that an inquiry be made into the pricing policies of B.C. Telephone Company and its related companies, and in view of the fact that some $83.7 million was sent to its parent company in New York in 1973, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That this House direct the Minister of Communications to forthwith intervene with the Canadian Transport Commission with respect to the pending application for an increase by B. C. Telephone to stop such consideration until a proper economic assessment is completed by the ministry into pricing practices of the B.C. Telephone with regard to related or associated companies and also an investigation be made into the amounts that have been paid by this corporation to its U.S. parent corporation.

Mr. Speaker: Order, please. The House has heard the terms of the motion. It being proposed pursuant to Standing Order 43, it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Order Paper Questions

[*Translation*]

ENVIRONMENTAL AFFAIRS

AIR POLLUTION BY ASBESTOS FIBRES—SUGGESTED ADOPTION OF STANDARDS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under the terms of Standing Order 43, I request unanimous consent of the House to discuss a most urgent and important matter.

Because of the serious problems caused by asbestos fibre air pollution in the Thetford Mines area where, as early as 1949, at the time of the first strike in that sector, request was made to improve the situation but to no avail, and because of the serious problems created by data supplied by the CNTU and New York's Mount Sinai School of Medicine specialists, and all the more so because Thetford workers now on strike want their security guaranteed in this regard, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That the House of Commons be allowed to discuss now this whole problem of asbestos fibre pollution, so that immediate steps can be taken in this regard, and that the federal Department of Environment assume as soon as possible its responsibility for setting up national standards by setting up a work schedule and the mechanism required to speed up the work of the research group in charge in the department.

Mr. Speaker: Order. The House has heard the motion of the hon. member. Under the terms of Standing Order 43, this motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 184, 185, 337, 1,297, 1,308, 1,461, 1,587, 1,755, 1,761 and 1,810.

Mr. Speaker, if questions Nos. 39, 238 and 2,075 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred questions Nos. 1,271 and 1,799.

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

[Mr. Speaker.]

[*Text*]

COMPARISON OF CAPITAL COST ALLOWANCES AND DEPRECIATION FOR CORPORATIONS SINCE 1968

Question No. 184—**Mr. Orlikow:**

What was the comparison of capital cost allowances and depreciation (in millions of dollars) for corporations in Canada for each year since 1968 showing the amounts of (a) capital cost allowances (b) depreciation (c) the difference between capital cost allowances and depreciation?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): As reported in Corporation Taxation Statistics, information on capital cost allowances and depreciation for corporations in Canada, excluding insurance carriers, co-operatives, Crown corporations and tax exempt corporations, for years 1968 to 1971, the latest year available, is as follows:

	1968	1969	1970	1971
		$'000,000		
Capital Cost Allowance	3,930	4,448	4,873	5,218
Depreciation	3,436	3,771	4,146	4,442
Difference	494	677	727	776

DISTRIBUTION OF NET PROFIT FOR CORPORATIONS IN CANADA SINCE 1968

Question No. 185—**Mr. Orlikow:**

What was the distribution of net profit before taxes (millions of dollars) for all corporations in Canada in each year since 1968 between (a) taxes (b) dividends (c) retained earnings?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Information on the distribution of net profit before taxes for corporations in Canada, excluding insurance carriers, co-operatives, Crown corporations and tax exempt corporations, is as follows for years 1968 to 1971, the latest year available:

	1968	1969	1970	1971
		$'000,000		
Book profit before income taxes (net)[1]	9,050	9,951	8,785	10,605
Distribution				
Income taxes payable	2,634	3,014	2,901	3,200
Mining taxes payable	63	68	71	44
Dividends	3,026	3,004	3,428	3,712
Retained earnings & other charges and credits	3,327	3,865	2,385	3,649

(1) As included in Corporation Taxation Statistics.

DISPOSAL OF EGGS BY EGG MARKETING AGENCY

Question No. 337—**Mr. Murta:**

1. Regarding the disposal of nine million eggs by the Canadian Egg Marketing Agency in August 1974 (a) where were the eggs destroyed (b) how were the eggs destroyed (c) what was the aggregate monetary cost?

2. (a) Who authorized the destruction of such eggs (b) who was hired to carry out the process (c) for how much?

3. Since the inception of CEMA have any other surplus eggs been destroyed before the August disposal of nine million eggs and, if so (a) what was the total aggregate cost (b) the location of the destruction (c) how were they destroyed?

4. Since the inception of CEMA what are (a) the names (b) salaries (c) qualifications for both support and executive positions of the persons of the Agency?

Hon. E. F. Whelan (Minister of Agriculture): 1. (a) At a storage facility in Freligsburg, Quebec. (b) The containers and the eggs were buried. (c) The aggregate cost of the eggs was $273,000.

2. (a) The burial of the eggs in question was authorized by the General Manager of CEMA. (b) Nobody was hired as CEMA staff supervised the operation and the storage company staff conducted the disposal. (c) Not applicable.

3. Not applicable.

4.

Name	Title
Ed Morgan	General Manager
Ed Smith	Marketing Director
Jim Swinden	Pooling Director
Eric McFee	Accountant
Greg Power	Statistician
Sandra Sills	Office Manager

As CEMA is a body corporate, the salaries and qualifications of individual staff members are not considered to be public information.

*RELEASE OF EPILEPTICS FROM EMPLOYMENT

Question No. 1,271—**Mr. Herbert:**

1. Are the Ministers of National Health and Welfare and Manpower and Immigration aware that employees are being fired in Canada in 1975 when their employers learn of a past history of epilepsy, even though this illness has been fully controlled?

2. Is any action contemplated?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer to part one from the Minister of National Health and Welfare (Mr. Lalonde) is no. The answer to the second part is that questions of labour practices do not fall under the minister's jurisdiction.

The answer to part one from the Minister of Manpower and Immigration is that the minister is aware that this situation exists. The answer to part two is that the Department of Manpower and Immigration, in operation of its Canada Manpower Centres, endeavours to find employment for all clients and eliminate causes of discrimination where possible.

Order Paper Questions

SUMMER STUDENT PROGRAM, 1975

Question No. 1,297—**Mr. Beatty:**

1. What is the total cost to the taxpayer of the "Hire-a-Student" and "Have a Young Summer" buttons and the associated advertising campaign by the Department of Manpower and Immigration?

2. Is the amount of money allotted to the 1975 Opportunities for Youth Programme higher or lower than that for the 1974 Programme and, in either case, by how much?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. The total cost of "Hire-a-Student" and "Have a Young Summer" buttons for distribution to employers is $3,886. The total cost of the "Hire-a-Student" advertising campaign is $275,000.

2. The amount of money allotted to the 1975 Opportunities for Young Programme is lower than that for the 1974 programme. A total of $29.5 million was allotted to the 1974 programme, compared to an allotment of $27.5 million to the 1975 OFY programme, thus constituting an amount $2 million lower than the 1974 programme budget. This reduction has been made in order to enable new programmes to be included in The Summer Student Employment and Activities Programme, thus offering a wider range of employment opportunities and summer activities to students.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—PERSONNEL

Question No. 1,308—**Mr. Paproski:**

1. How many full-time employees were under salary in the Department of Industry, Trade and Commerce on (a) January 1, 1974 (b) January 1, 1975?

2. How many people in each of these years received salaries of (a) under $10,000 (b) between $10,000 and $20,000 (c) between $20,000 and $30,000 (d) over $30,000?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. (a) Full-time employees as of January 1, 1974, 2,460; (b) Full-time employees as of January 1, 1975, 2,635*.

2.

Salary Band	January 1, 1974	January 1, 1975*
(a) Under $10,000	1,055	844
(b) $10,000—$20,000	715	884
(c) $20,000—$30,000	625	684
(d) over $30,000	65	223

*These figures include a total of 127 employees of the Foreign Investment Review Agency.

PUBLIC SERVICE—REGIONAL WAGE POLICIES

Question No. 1,461—**Mr. Howie:**

Are there any plans to examine regional wage policies to ensure equality for all Public Service employees?

Hon. Jean Chrétien (President of Treasury Board): Because the government's compensation policy is based on comparability with outside labour markets, it is felt that

regional wage rates are appropriate for those occupations for which regional rates prevail in the outside markets and for which there is not a mobility requirement.

PUBLIC SERVICE—DECLARATION OF SALARIES OR FEES

Question No. 1,587—**Mr. Herbert:**

Is a full-time public servant with a salary in excess of $20,000 required to declare to his or her superior any income, such as salary or fees, received for services rendered in (a) the private sector (b) another branch or department of the Public Service while that person continues to receive full salary?

Hon. Jean Chrétien (President of Treasury Board): Any public servant appointed under the provisions of the Public Service Employment Act and employed in a department or agency for whom the Treasury Board represents the employer has no restrictions on other employment or outside activities except those specifically prohibited by legislation, such as certain types of political activity, provided that it would not (a) interfere with the employee's ability to satisfactorily discharge the duties for which he/she was employed, and (b) result in a potential or actual conflict of interest situation, and (c) result in bringing discredit to the public service. The onus is on the public servant to notify their deputy head or superior of their intention to pursue such gainful activities. In certain exceptional cases, the Deputy Head may agree to an employee assuming additional activities either in the public or private sector for which additional remuneration may be forthcoming, provided such activities are of benefit to the Department or the Public Service.

PACIFIC REGION MANPOWER AND IMMIGRATION—CLUSTER MANAGEMENT CONCEPT

Question No. 1,755—**Mr. Whittaker:**

1. How many new or additional positions will be required if the cluster management system is implemented by Pacific Region Manpower and Immigration in the following categories (a) SX 2 (b) SX 1 (c) PM 7 (d) PM 6 (e) PM 5 (f) PM 4 (g) PM 3?

2. What is the estimated additional (a) salary (b) administrative (c) premises cost consequent upon implementation of the cluster management system in Pacific Region Manpower and Immigration?

3. If new or additional positions are created in Pacific Region Manpower and Immigration as a result of implementation of the cluster management system, how will these positions be filled?

4. Has the Minister of Manpower and Immigration assured employees by means of a video tape presentation, that there will be no forced moves or "red circling" as a consequence of reorganization within his Department and, if so, how does the Department propose to deal with employees who might find themselves without employment as a consequence of the re-location of present Area Offices in some areas of Pacific Region where those locations do not coincide with present Area Offices?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. No additional positions are expected to result from the implementation of the cluster management concept by Pacific Region. The managers of the six CMCs designated as 'cluster headquarters' will be responsible for general supervision of the managers of those CMCs comprising their respective clusters. Whereas the five existing area managers are classified as PM-5, it is expected that cluster managers will be PM-6 when classification action is completed and the managerial level of area manager is removed.

2. In balance, it is expected that the increase in salary paid to (PM-6) cluster managers over that presently paid to the managers of those CMCs concerned, plus the salary of the district director, Yukon and the increase from PM-6 to SX-1 of the Vancouver metro manager (both of which are other aspects of Pacific Region's reorganization) will be more than compensated for by the elimination of the salaries of area managers. Costs of premises should also reduce with the deactivation of area offices.

3. To ensure application of the best available talent and expertise, the new cluster manager positions will be filled by competition. Incumbent area managers will be eligible to compete, as will the managers of the applicable CMCs.

4. Yes, these assurances were contained in the audio-visual presentation of the Minister and Deputy Minister, as distributed to all staff during the period February-March, 1974. They were re-iterated in messages from the Minister of December 6, 1973 and April 11, 1974 to all staff. There are many factors which could influence the ultimate disposition of those cases where an incumbent area manager may not be the successful candidate for the cluster manager position in his present location. For example, he may succeed in obtaining the position of CMC manager in that or another location as our current general efforts to increase the base and broaden the range of CMC managers' classifications progress to fruition. Or he may win a competition for district director in another Region. Or some other factor of attrition, such as promotion or retirement of other staff members, may present a solution. In any event, the Minister's assurances shall continue to apply as the Department's reorganization and renewal program proceeds.

NATIONAL DEFENCE—NUMBER OF PERSONNEL WORKING IN CONTINENTAL REGIONS

Question No. 1,761—**Mr. Herbert:**

In the Department of National Defence for the month of April 1975, what is the budgeted number of public servants (not including members of the Armed Forces) to work in the continental regions of (a) North America excluding Canada (b) South America (c) Europe (d) Asia (e) Australasia?

Hon. James Richardson (Minister of National Defence): The budgeted number of public servants for employment in continental regions described is as follows: (a) 7; (b) Nil; (c) 18; (d) 2; (e) Nil.

*APPLICATIONS UNDER FOREIGN INVESTMENT REVIEW ACT

Question No. 1,799—**Mr. Reid:**

1. Since the proclamation of Part 1 of the Foreign Investment Review Act, how many applications have been received by the Foreign Investment Review Agency and how many have come to a decision by the Agency?

2. How many applications were withdrawn before such applications came to a decision?

3. From the date of applications being received (and in order) what was the average number of days passed before a decision was rendered by the Agency and reported to the Minister?

4. From the time the Agency made a decision and forwarded it to the Minister, what was the average number of days passed before Cabinet rendered a decision?

5. How many times has the Agency found it necessary to deal with an application over and above the 60 days mentioned in the Act, and has this provision acted to shorten the time usually taken by the Agency to make decisions?

6. Has the Agency refused to provide reasons for its decisions in some cases while providing reasons in others and, if so (a) for what reason (b) in how many cases were reasons (i) given (ii) not given?

7. What is the working definition used by the Agency of the phrase "significant benefit to Canada" in determining whether or not a particular transaction can be approved or not and what are the practical concessions or changes which the Agency seeks to obtain from participants whose transactions the Agency must approve?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, as the reply to this question is quite lengthy, I would like to ask the House to take it as read?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: The above mentioned reply reads as follows:*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. From 9 April 1974, when the provisions of the Foreign Investment Review Act that relate to acquisitions of control of Canadian business enterprises were proclaimed, until 7 March 1975, the Foreign Investment Review Agency issued certificates of receipt for 126 applications. The Agency has no authority to make decisions on applications under the Act. The Governor in Council allowed 52 applications, refused to allow 11 applications, and was deemed to have allowed 3 applications.

2. From 9 April 1974 to 7 March 1975, 16 certified applications were withdrawn by the applicant.

3 and 4. During the period under reference, an average of 100 days passed between the issue of a certificate of receipt for an application and the decision by the Governor in Council. This average covers both decisions to allow and decisions to refuse to allow. The Act provides that, before any decision can be made to refuse to allow, parties to the proposed transaction in question must be given the opportunity to make whatever further representations they wish. There is no statutory time limit on the period within which they may make those further representations.

5. Applicants were advised of their right to make representations or further representations, under subsection 11(1), in relation to 83 applications between 9 April 1974 and 7 March 1975.

6. As noted, the Agency makes no decisions itself on whether applications should be allowed or disallowed. Those decisions are made by the Governor in Council. Reasons for those decisions are given, by myself on behalf of the Government, whenever this can be done. See reply dated 26 February 1975 (Hansard page 3582). To date reasons for decisions to allow have been published in 32 cases out of a total of 52 allowed. From the outset the Government has recognized the need to avoid the disclosure of any information which could possibly jeopardize the legitimate interests of firms and individuals concerned. This is still the guiding principle, but experience has shown that it is possible to move towards wider disclosure than was the earlier practice without causing damage of that kind.

7. The "working definition" used by the Government in determining whether there is significant benefit to Canada in any given proposal, and therefore whether it should be allowed or not, is that specified in the Foreign Investment Review Act. Whether there is significant benefit to Canada in any given case is determined by reference to the particular circumstances of the case and the relationship of those circumstances to the factors listed in subsection 2(2). The application of those factors necessarily varies from case to case.

NATIONAL DEFENCE—DIRECTOR SECURITY, COLONEL DABROS

Question No. 1,810—**Mr. Rodriguez:**

Was Colonel Dabros fired as Director of Security of the Canadian Armed Forces and, if so, what were the reasons for his dismissal?

Hon. James Richardson (Minister of National Defence): No.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

MUNITIONS AND MILITARY EQUIPMENT SOLD BY CANADA TO OTHER COUNTRIES SINCE 1963

Question No. 39—**Mr. Macquarrie:**

1. For each year since 1963, what was the value of munitions and military equipment sold by Canada to other countries?

2. What type of military equipment and munitions have been sold?

3. To what countries has Canada sold military equipment?

4. What were the values of sales made to these countries?

5. What countries sought to purchase military supplies and were refused?

6. For what reasons were sales to such countries refused?

7. What are the criteria required to justify sales of Canada's military equipment to other countries?

Return tabled.

INFORMATION SUPPLIED BY GOVERNMENT TO FOREIGN GOVERNMENTS ON INDIVIDUAL CANADIANS

Question No. 238—**Mr. Beatty:**

1. What departments or agencies of the government regularly supply data concerning individual Canadian citizens to foreign governments, institutions or individuals?

2. (a) By department or agency, what is the nature of information supplied and what conditions are placed by the government on its use (b) what provision is made for informing affected citizens that a transfer of information has taken place and what provisions are made for affected citizens to have access to transferred information and to correct false information?

3. To what agencies or departments of foreign governments, to what other foreign institutions and to what individuals is such information made available?

4. In each case, what is the approximate number of individuals about whom information was made available by the government in 1973?

5. What departments or agencies of the government maintain files on foreigners not resident in Canada?

6. By department or agency, what is the nature of the information on foreign citizens not resident in Canada maintained by the government?

Return tabled.

NAMES OF MINISTERS, ACTING MINISTERS AND SECOND ACTING MINISTERS OF DEPARTMENTS

Question No. 2,075—**Mr. Knowles (Winnipeg North Centre):**

What are the names of the Ministers, Acting Ministers and Second Acting Ministers of each department or ministry of the government?

Return tabled.

Mr. Stevens: Mr. Speaker, I should like again to draw attention to questions Nos. 636 and 637 which have been on this and the previous parliament's order paper for now over a year and are still not answered. You will recall, Mr. Speaker, that the last time I raised this point the parliamentary secretary stated that it was really the ministers who were at fault. I ask him to explain why these questions are still not answered and to name the ministers who are involved, because I believe five ministers might be involved in answering my questions.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

PUBLIC SERVICE

EFFECT OF STRIKE OF GENERAL LABOUR AND TRADES GROUP ON GRAIN DELIVERIES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to present a motion pursuant to Standing Order 26 for the purpose of discussing a specific and important matter. I present this motion cognizant of the fact that tomorrow is an opposition day held by a party other than mine, the Creditistes Party. My submission to you, Mr. Speaker, is that this is an important matter requiring urgent consideration, namely the present work stoppages which have ended all grain shipments from Canada affecting grain deliveries to all foreign countries, creating increasing unemployment, the loss of orders of grain and the grave potential for the loss of foreign grain customers generally.

I therefore move that this House do now adjourn.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Pursuant to the terms of Standing Order 26 the hon. member has given the Chair notice of his intention to propose the motion for adjournment pursuant to that standing order and has supplied in support of that proposal some material in extension to that which he has put forward at this moment. In accordance with a directive to do so at least by the Chair the hon. member has been brief to the point of perfection in bringing forward his argument in support of this motion.

Some hon. Members: Hear, hear!

[Mr. Beatty.]

Mr. Speaker: The fact of the matter is that the subject of Canada's position vis-à-vis commitments for grain shipments abroad has been raised on several occasions over the past few days. The serious concern of course comes not only from the point of view of employment but of our business internationally and this has been discussed in questions and answers. The work stoppages involved obviously represent a very difficult situation. It is difficult for the Chair, in reviewing the rules under Standing Order 26, to see how one could possibly look for a more serious matter and one which would be more qualified for debate under the provisions of that rule.

● (1420)

The only point of concern to the Chair is that the latter provisions of the Standing Order require that the Chair direct its attention to the possibility of the subject matter being discussed in some other reasonable way, and in that respect, since tomorrow is an allotted day under our Standing Orders, the hon. member, if he is in a position to ask the House to sit overtime, for a special debate, should be able to persuade his colleagues that the subject matter of his motion would be important enough to deserve priority with regard to the use of tomorrow's opposition day. However, that possibility of dealing with the matter has been removed as a result of the information given by the hon. member that he and his colleagues are not in a position of authority or control over that subject matter because of internal arrangements among the parties that are well known to all members of the House.

Accordingly, I see no reason why I should not accept the motion put forward by the hon. member, which conforms with the provisions of Standing Order 26. Therefore, I put the following questions to the House: has the hon. member leave to move the motion for the purpose of discussing the matter stated by him?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Perhaps I should indicate for the greater clarification of members that if leave is refused, some 20 hon. members rising in their place, as required under the order, would allow the motion to go forward at the incentive of such members. In any case, in conformity with the practice which has developed under this rule, it is my intention to dispose of the matter by setting the time for debate of this matter at eight o'clock this evening.

Some hon. Members: Agreed.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 32 is acceptable to the government.

I ask that the other notices of motions be allowed to stand.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Motion 32—**Mr. Ellis:**

That an Order of the House do issue for a copy of all Department of Public Works "Call for Public Tenders" from January 1, 1975 to date.

Motion agreed to.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order to which I think there is an easy resolution. Two days ago I placed on the order paper a question in which I asked for the names of all the ministers, acting ministers and second acting ministers of the various departments and ministeries of the government. In view of questions that have been asked in the House recently, I felt that this would be useful information for all of us to have. That question has been answered today, it is question No. 2,075, but it has been answered by an order for return. I have it, but what about the other 263 members? I realize that the House has already ordered it as a return that is simply tabled and that order cannot be changed, but the answer to my question No. 2,075 could be made an appendix to today's *Hansard* so that this information would be available to all members of the House.

Mr. Reid: Mr. Speaker, I wonder if I might suggest that the first paragraph of the order in council plus, the list of the names incorporated be made an appendix to *Hansard.* It would save some printing.

Mr. Speaker: Is the suggestion put forward by the parliamentary secretary acceptable?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Those other paragraphs are just words. It is the names we want.

Mr. Speaker: Order, please. Is the suggestion put forward by the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) agreed to?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

[*Editor's Note: For text of answer referred to above see appendix "A"*]

Mr. O'Sullivan: Mr. Speaker, I am sorry to be somewhat delayed in raising this point of order, but I was in the other place for first reading of a very important bill.

I am advised that the two starred questions in my name which have been on the order paper for almost a month, namely, 1,738 and 1,739, have still not been answered. As the parliamentary secretary can attest, this member is not one who has abused the privileges or the usage of the order paper, and I would hope that he, together with the Minister of Manpower and Immigration (Mr. Andras)—in so far as these questions affect very serious matters regarding former members of his personal staff—will do everything possible to have these important starred questions answered just as soon as possible.

Mr. Leggatt: Mr. Speaker, there has been a motion on the order paper since October 9, 1974 to table correspondence from the Minister of Justice to the various attorneys general and ministers of health regarding the subject of abortion. My point is that there seems to be no reason whatsoever for this information to be withheld from the House, and I would urge the minister to table that correspondence.

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

STRIKE OF GENERAL LABOUR AND TRADES GROUP—REASON FOR LACK OF PROGRESS IN NEGOTIATIONS—AUTHORITY OF GOVERNMENT REPRESENTATIVES TO NEGOTIATE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the President of the Treasury Board. In view of his oft repeated conviction about, and respect for, the importance of collective bargaining when it has been granted, and in view of the reliable information that the Public Service Alliance and the Treasury Board have been very close for the last five days, perhaps less than two percentage points apart in terms of wages, has the President of the Treasury Board any reason to give the House why no progress has been made and why this stalemate has lasted for five days, if he believes as much in collective bargaining as he has indicated.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I said earlier that it was not appropriate to negotiate here in the House of Commons. I think that from the beginning of the dispute, we have made offers much higher than those we intended to make; we started with 18 per cent, and now we accept the conciliation report which is proposing a 25.8 per cent increase. We have made other propositions since then, but it is obvious that in the present situation it would not be in the interest of the country to accept every claim of the trade union.

[*English*]

Mr. Stanfield: No one is talking about the government accepting every demand put before it, but I would like to ask the President of the Treasury Board whether, in view of his repeated expressions of support for collective bargaining, and in view of this stalemate within very narrow limits—and without negotiating in the House—he can give the House the assurance that the negotiators on behalf of the Treasury Board really have authority to negotiate, or is the Treasury Board simply standing pat?

[*Translation*]

Mr. Chrétien: No, the Treasury Board negotiator has as much flexibility as the union representative.

[*English*]

STRIKE OF GENERAL LABOUR AND TRADES GROUP—REQUEST FOR UP TO DATE INFORMATION FROM MINISTER OF JUSTICE

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the minister responsible for the Wheat Board. Since the Chair has granted the debate we have been asking for, the only question I have at this time is to ask the minister responsible for the Wheat Board if he has any more information to add, up to this point in time, before the debate begins in the House this evening.

Mr. Speaker: Order, please. Having ordered the debate for this evening, I think it is proper that all subjects pertaining to that debate be discussed in the House at eight o'clock this evening.

* * *

HEALTH

REQUEST FOR ANALYSIS OF 1972 NUTRITIONAL SURVEY

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Nutrition Canada's survey on the nutritional status of Canadians was completed in 1972. It is now well into 1975. Can the minister tell us when we can expect an analysis of the survey data based on family income levels?

● (1430)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the national report has been made public followed the report of every province a few months ago. As I get information from the public servants working in this area, I will make them available to the public.

* * *

[*English*]

SOCIAL SECURITY

EFFECT OF POVERTY ON CHILDREN—REQUEST FOR EDUCATIONAL PROGRAM TO OFFSET

Mr. Andy Hogan (Cape Breton-East Richmond): A supplementary question. In view of the fact that "Poor Kids", the report by the National Council of Welfare on Children in Poverty released this month reads in part:

"The cruel barbs about those on welfare—that they are lazy spongers or worse—cut deep into the psyche of the child who grows up on welfare."

Will the Department of National Health and Welfare initiate an educational program to offset these bad effects?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I think what is required is even more than an education program; we need a real social security program along the lines of what the government has been recommending for two years and which, I hope, will soon be implemented.

[*English*]

ALLEGATION CORRECTIONAL INSTITUTIONS USED AS DUMPING GROUND FOR POOR CHILDREN—GOVERNMENT ACTION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I congratulate the minister. We hope this will come very soon because this party has been looking for it for a long time. Will the minister have his department conduct research into selective provinces to see if correctional institutions are being used as dumping grounds for poor children as the report alleges?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, we are studying the matter of juvenile offenders. Moreover, the matter of correctional institutions is now the subject of studies and reviews by my colleague, the Solicitor General and by my provincial counterparts.

* * *

CONSUMER AFFAIRS

REQUEST FOR MORE ACCURATE LABELLING OF PRODUCTS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Consumer and Corporate Affairs.

Is his department closely surveying the labels on Canadian products so that Canadian people and consumers be fully aware of what they buy?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker.

Mr. Caouette (Témiscamingue): I put the question because last weekend I happened to discover a rather serious anomaly, in my opinion, in the area of dairy production. In the northwestern region, the butter we buy is labelled: Dallaire Butter, Palmarolle Butter, Nédelec Butter. However, I was informed last weekend that the butter comes from Granby, Saint-Hyacinthe, or Australia and that the moment it reaches Rouyn or Laverlochère, it is wrapped in paper with a Dallaire, Palmarolle or Nédelec label on it. Does the minister feel that the situation may be improved to the point that the prospective buyer may know that he is not buying a Dallaire butter, but a butter from Australia, Granby or Saint-Hyacinthe?

Mr. Ouellet: Mr. Speaker, the regulations governing packaging and labelling were adopted in 1971, at a time when the hon. member was already in the House. He cast his vote on this legislation. He must certainly be aware of the limitations which restrict the authority of my department in this area. To refresh his memory I may send him a copy of these regulations. He will then realize that unfortunately my department lacks a lot of the power it would need to go as far as it would like to go.

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary. Considering what the minister has just answered and what he said on Monday in a CBC open line program, namely that nothing could be done to stop the

rise in the cost of living in Canada and considering the drought problems in the world and their consequences on the supply of food, can he tell this House, the hon. member for Témiscamingue and myself why, whereas we use butter from other countries, if the latter have drought problems, the government cannot control prices in Canada to protect the consumers?

Mr. Ouellet: Mr. Speaker, the hon. member was surely absentminded during this program. I do not know whether he lit a cigarette at a certain time, but I can assure him that he is considerably distorting my words by presenting them in this way to the House.

* * *

[*English*]

TRANSPORT

DREDGING CONTRACTS—KNOWLEDGE OF MEMBERS OF GOVERNMENT OF POSSIBILITY OF FRAUD BY MARINE INDUSTRIES LIMITED

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Prime Minister. On March 17, the Prime Minister was asked if any member of the government was aware of any alleged massive fraud before the fall of 1972 and he replied:

> ... I am prepared to say that certainly no one in the cabinet knew ... I would venture to say that no one in the public service knew either.

In order to clarify this matter, can the Prime Minister tell the House if any minister of the government had any knowledge of contract irregularities, allegations of improper tendering and suspicions of fraud regarding the Marine Industries Limited contract prior to complaints in the fall of 1972?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member refers to the question he will see that it is in the context and under the heading of "Dredging Contracts". If his question relates to Marine Industries Limited and dredging contracts, the answer still stands.

Mr. Nowlan: Mr. Speaker, I appreciate the context in which the answer is given. That is why my question was directed specifically to Marine Industries Limited contracts and allegations of improper tendering, suspicion of fraud and contract irregularities between Marine Industries Limited and the federal government prior to the fall of 1972. What would the Prime Minister answer to that?

Mr. Trudeau: Mr. Speaker, the member is not referring, I understand, to massive fraud concerning dredging. If he is, my answer stands. If he is asking about other allegations of wrongdoing, particularly the one concerning a salvage operation, it is a new question and the answer would be different. If the hon. member wants to ask me a new question that is fine.

INDUSTRY

MARINE INDUSTRIES—ALLEGATIONS OF CONTRACT IRREGULARITIES, FRAUD AND IMPROPER TENDERING—INQUIRY AS TO GOVERNMENT KNOWLEDGE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I know Your Honour would not allow me to ask various ministers supplementaries, so I will put the question to the Prime Minister but it involves three other ministers. Has the Prime Minister consulted with his colleagues in cabinet to ascertain if there were any allegations of contract irregularities, suspicion of fraud and improper tendering involving Marine Industries Limited and the *Irving Whale* case of 1971, the DDH280 program in the late 1960s involving overruns, and an internal report ordered by the Department of National Defence and submitted to the Department of Supply and Services recommending that action be taken and also, according to the Solicitor General in 1965, involving tendering on the *Leighcliff Hall* which went aground?

Mr. Speaker: Order, please. I am sure the hon. member realizes that detailed information such as that ought to be sought at a time other than the question period.

Mr. Nowlan: Mr. Speaker, may I rephrase the question because the Prime Minister did invite me to ask specifically about other matters. In reference to these other matters, without getting into a lot of detail, I will ask the Prime Minister if he has consulted with his colleagues about three other matters involving Marine Industries Limited. I could ask if Your Honour would allow me to put supplementary questions to the individual ministers involved but I know you would not and I can understand that. I just wonder if the Prime Minister could give me an answer on the three incidents I mentioned?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know what the hon. member is attempting to do by linking this question to the question the other day. It is obviously a completely different question. I repeat, my answer to the question the other day still stands. If he is now asking a question about a series of events going back to 1968, the answer is no.

Mr. Nowlan: May I ask another supplementary?

Mr. Speaker: Order, please. I have allowed the hon. member two supplementaries and in fairness I think we should go to some other hon. members.

* * *

ADMINISTRATION OF JUSTICE

DREDGING CONTRACTS AT HAMILTON—POSSIBLE CONSULTATIONS WITH MINISTER PURSUANT TO SECTIONS 4 AND 5 OF JUSTICE ACT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to direct a brief question to the Minister of Justice. In his capacity both as minister and as Attorney General of Canada, has he been consulted in any respect regarding the Hamilton Harbour and dredging matters

pursuant to sections 4 and 5 of the Department of Justice Act and if so, when was this done?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, of course where matters requiring legal advice are involved the Minister of Justice is consulted. That has been done and is continuing to be done.

● (1440)

Mr. MacKay: A supplementary question, Mr. Speaker. I realize the minister may not wish to give specific information, but can he say how long ago his advice was sought, in either one or both of his capacities.

Mr. Lang: Mr. Speaker, so far as I know, it was sought as soon as issues arose which required that advice.

* * *

TRANSPORT

DREDGING CONTRACTS—REASON FOR REFUSAL OF PUBLIC INQUIRY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I direct a supplementary question to the Prime Minister. As it is becoming more obvious every day that a public inquiry of all aspects of the dredging contracts mentioned is needed so that people will know what has been going on, is not the real reason for the Prime Minister's refusal to establish such an inquiry this: the Cliche commission in Quebec has demonstrated clearly that, from the government's point of view, it is impossible to know where such an inquiry might lead, and, before the government would know it, so to speak, the activities of the government and its hangers-on would be spread all over the front pages of our newspapers and people would know just what skulduggery has been going on.

An hon. Member: Answer yes or no.

Mr. Hees: A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. I can hardly allow a supplementary to a question which was not answered.

* * *

IMMIGRATION

ALLEGED STATEMENT BY PRIME MINISTER TO ITALIAN AUTHORITIES—APPLICABILITY TO OTHER COUNTRIES

Mr. Jake Epp (Provencher): Mr. Speaker, my question is directed to the Prime Minister and concerns an alleged statement he made to Italian authorities regarding Canada's immigration policy. The Prime Minister is reported as saying that no significant change is being considered in Canada's immigration policy which would result in a significant reduction of immigrants to Canada. Will the Prime Minister indicate whether this view is applicable to Italy only, or to members of the European economic community, or does it apply to a government policy relating to immigration on a global basis?

[Mr. MacKay.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot vouch for the quotation which has just been read or mentioned. I do not know who said that and where. Certainly, it does not correspond to what I said. What I said to the government authorities in Italy was that the position of this government is contained in the green paper, that we think immigration to Canada will continue, but that the questions of volume and trends are precisely matters which have been put before parliament and the people of Canada by way of the green paper, and that the policy which will issue from that green paper will be announced in due course.

Mr. Epp: A supplementary question, Mr. Speaker. On his recent travels in Europe, did the Prime Minister assure the authorities of any country that present levels of immigration will be maintained regardless of the debate that has been taking place on the green paper.

Mr. Trudeau: No, Mr. Speaker. I indicated that it has been and will remain Liberal policy to maintain a non-discriminatory immigration policy, that in all likelihood immigration to Canada will continue, that I certainly would welcome that, but that questions involving trends, amounts, the rate of growth and the whole demographic policy are questions which are being discussed apropos the green paper.

* * *

ENERGY

OIL—REQUEST FOR INVESTIGATION OF POSSIBLE FRAUDULENT INCREASE IN IMPORT PRICES

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Because of recent reports that authorities in the United States are investigating what may have been widespread actions by certain companies there to improperly and fraudulently increase the prices at which they imported oil into that country, will the minister cause investigations to be carried out here, to see whether there may have been similar improper schemes carried out in connection with the importation of oil into Canada.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the House and committee have already been advised, the books of the importing companies have been examined by departmental auditors, by a special outside auditing firm and by the Auditor General.

* * *

CONSUMER AFFAIRS

REQUEST FOR INVESTIGATION INTO FAILURE TO GIVE CONSUMERS BENEFIT OF REDUCTION IN BEEF PRICES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. As the price of beef to the producer and the wholesale price has dropped drastically in the last few months, as some food chains are now paying 70 cents a

pound for it, compared with $1.20 per pound, when the price was sky high, and as many restaurants have not reduced the price of hamburger and steak to the consumer, is the minister's department investigating why this has not been done. Will he instruct the Food Price Review Board to investigate why this drop in the price of beef has not been passed on to the consumer.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am sure the Plumptre Board will give particular attention to what the hon. member said. Incidentally, I would like to remind him that we recently appointed a commission whose task is precisely to review the whole question of beef and veal in Canada. I am convinced that the members of that commission will examine the differences between prices in the Canadian beef industry.

[*English*]

Mr. Nystrom: A supplementary question, Mr. Speaker. Has the minister instructed the Food Prices Review Board to investigate this matter or does he hope that it will investigate. Is the department constantly surveying the general question of reduced prices to the consumer? Is it monitoring what happens, because a number of prices to the producer have gone down and these reductions have not been passed on to the consumer.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I think the answer I just gave fully replies to the concern expressed by the hon. member. I do not have to give orders to the board. I think that last year it reacted rapidly enough and with much accuracy to the problems in food prices. I am fully confident that it will be able to react in the same way in the future.

[*English*]

ALLEGED FAILURE TO GIVE CONSUMERS BENEFIT OF PRICE REDUCTIONS—REQUEST FOR INVESTIGATION BY FOOD PRICES REVIEW BOARD

Mr. Lorne Nystrom (Yorkton-Melville): A final supplementary question, Mr. Speaker. Will the minister, for the benefit of the House, ask the Food Prices Review Board to look into this particular question, and will he report to the House?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker.

* * *

REGIONAL ECONOMIC EXPANSION

BELANGER-TAPPAN—REASON FOR LAYOFFS IN VIEW OF SUBSIDIES RECEIVED

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion.

Since the unemployment rate has increased considerably in eastern Canada, particularly in the province of Quebec, and since 406 of the 446 employees of Belanger-Tappan Inc., operating in the town of Montmagny, have been laid off in the last 15 days, could the minister advise the House what are the real reasons for these layoffs and how the subsidies made to this company have been used to keep it in operation?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I should like to reply in detail to the hon. member. If he agrees, I will take this question as notice, have an investigation carried out as to the circumstances of the matter and reply to him as early as possible.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to put a supplementary. Given this serious situation, after all, 406 family heads are deprived of their income, could the minister reassure us by telling us that he will consult his colleague, the Minister of Manpower and Immigration, so that employees who will not be rehired by the company will be able to find work elsewhere under other programs and thus earn their living as well as that of their family?

[*English*]

Mr. Jamieson: Yes, Mr. Speaker, I can give the hon. member that assurance. As he says, my colleague is beside me. I will have my officials discuss it with him and we will make a joint report to the hon. member.

* * *

NATIONAL PARKS

PROPOSED GRASSLANDS NATIONAL PARK—INQUIRY AS TO STATUS

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Has a decision been made to establish the new, proposed Grasslands National Park in southern Saskatchewan. If not, what is the status of this proposed national park?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the final decision has not been taken. We are discussing the matter actively with representatives of the province of Saskatchewan and are optimistic that discussions will be ended soon.

* * *

● (1450)

EXTERNAL AFFAIRS

INVITATION TO SOUTH AFRICA TO ATTEND PRE-OLYMPIC COMPETITIONS—CO-ORDINATION BETWEEN COJO AND FEDERAL GOVERNMENT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in the absence of the Secretary of State for External Affairs I should like to put my question to the Prime Minister. In view of the serious misunderstanding and controversy which has been permitted to develop as a result of invitations forwarded to nations taking part in

pre-Olympic competitions in Montreal in 1975 by the Quebec Track and Field Association and subsequently retracted by COJO as far as South Africa is concerned, could the Prime Minister advise the House what co-ordination, if any, exists between the government and COJO officials with respect to dealings between Canada and other nations, specifically when they involve invitations?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): May I reply to this question as Acting Secretary of State for External Affairs? I understand the hon. member is referring to the invitation extended to South Africa. I am informed that an essentially private letter of inquiry was sent to the South African Track and Field Federation but that no formal invitation has been extended inviting them to compete in the pre-Olympic competitions. The letter referred to was apparently sent by the Quebec Athletic Federation in the name of the Canadian Track and Field Association to all members of the International Amateur Athletic Federation. Neither the Canadian government nor COJO is directly involved in sending such invitations to these events preceding the Olympic Games. COJO's role in this case is one of a supporting nature.

* * *

SPORTS

REQUEST FOR ASSURANCE AMATEUR SPORTS FEDERATION RECEIVES SHARE OF PROFITS FROM OLYMPIC LOGO DISPLAYS

Mr. Otto Jelinek (High Park-Humber Valley): My supplementary is addressed to the Minister of National Health and Welfare who is supposed to be responsible, also, for amateur sport. Bearing in mind the large profits being reaped by COJO from the many commercial companies which are eager to pay for the right to display the Olympic logo as part of their advertising campaigns, would the minister assure the House that he will take the necessary steps to ensure that the Amateur Sports Federation which is now training amateur athletes for the Olympics will not once again be neglected but will receive a fair share of the profits now going to administer the Games—I am not talking about just stamps and coins.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will be pleased to look into the question raised by the hon. member.

* * *

[*English*]

FINANCE

POSSIBILITY OF DEVALUATION OF CANADIAN DOLLAR—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Finance. In view of Canada's seriously deteriorating export situation and the huge trade deficit predicted for Canada this year, is the government considering the devaluation of the Canadian dollar in relation to the United States dollar within the next six months?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, but if we were we would not telegraph it.

Some hon. Members: Oh, oh!

Mr. Speaker: Order. Before I recognize the hon. member for Esquimalt-Saanich I wonder whether I might call the attention of the House to the fact that there appears to be more than one meeting going on at the moment and that it is becoming extremely difficult to hear what is said.

Some hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

DEATH OF TWO CANADIAN DIPLOMATS—REQUEST FOR EXAMINATION OF CONDITIONS OF SERVICE AND MORE RIGOROUS MEDICAL CHECK-UPS

Mr. Donald W. Munro (Esquimalt-Saanich): Thank you very much for your help, Mr. Speaker. My question is directed to the Acting Secretary of State for External Affairs. In the light of the fact that within the last week two Canadian diplomats have died abroad, both at an early age, has the ministry examined the conditions of service abroad to ensure that members of our diplomatic service are not kept under continuous strain and stress as a result of which their lives are shortened?

Some hon. Members: What about Members of Parliament?

An hon. Member: What about ministers?

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): I thank the hon. gentleman for his words of sympathy. The government, too, regrets very much the death of these two very able and rather young diplomats. I doubt very much, however, whether it was the conditions of service which led to their untimely deaths.

Mr. Munro (Esquimalt-Saanich): Can the minister assure the House, then, that more rigorous medical check-ups are carried out prior to posting to ensure that those who have a record of heart trouble are not sent on postings in circumstances where their lives would be shortened?

Mr. Sharp: I thank the hon. gentleman, who understands the conditions of service perhaps better than anyone else in the House since he has a very distinguished record himself. I will take up his suggestions with the minister.

* * *

FINANCE

REDEMPTION OF PERPETUAL BONDS—PROPOSED PAYMENT OF PROGRESSIVELY INCREASED RATE TO DATE OF MATURITY

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of

Finance, but first I wish to thank him for his response to my representation made in February regarding the 3 per cent perpetual bonds. I note that according to today's press these bonds are to be redeemed at par on September 15, 1996—I hope he and I will be around at that time. My question is this: since the holders are now being offered only $38 for these bonds, will the government undertake to pay a progressively increased rate on this issue from now until the date of maturity?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman, as well as others in all quarters of the House, including the hon. member for Nanaimo-Cowichan-The Islands, the hon. member for Don Valley, the hon. member for Ottawa West—

Mr. Kempling: The hon. member for Hamilton-Wentworth.

Mr. Turner (Ottawa-Carleton): At least a hundred members of the House of Commons—

Mr. Hees: Don't forget the hon. member for Prince Edward-Hastings!

Mr. Turner (Ottawa-Carleton): —have made representations about this matter. As the hon. member has said, we have set a terminal date for these bonds, namely, September 15, 1996. In terms of the usual mortality rates, the hon. gentleman and I ought to survive it—whether he does politically is another matter.

Some hon. Members: Oh!

An hon. Member: He has a far better chance than you.

Mr. Turner (Ottawa-Carleton): We redeemed these bonds because they were unique in character—they were limited to a $55 million issue—and they were causing hardship in a number of quarters; they were rarely being traded. I should say to the hon. member that trading is now taking place at about the $46 level as compared with $37.25 bid yesterday. By way of comparison the yield is now 8.52 per cent as against the 9.5 per cent government bonds due in 1994 trading at 8.70 per cent on a yield basis. So the yield has been restored at this point. I am grateful to the hon. member for having brought the matter to the attention of the House.

Some hon. Members: Hear, hear!

* * *

HEALTH

CONNAUGHT LABORATORIES—POSSIBLE INVESTIGATION AND CORRECTIVE ACTION

Mr. F. A. Philbrook (Halton): Mr. Speaker, I should like to address my question to the Minister of National Health and Welfare. It concerns that fine Canadian institution, Connaught Laboratories. I should like to ask whether any ongoing investigation is being conducted into the operations at Connaught and, if so, whether any corrective action has been recommended?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sorry not to be able to tell the hon. member today whether an investigation is presently being made by the Health Protection Branch into the Connaught Laboratories. However, I will inquire about it, but meanwhile I can assure the hon. member that for every complaint, my department has made immediate inquiry and the Connaught Company has taken the necessary measures to eliminate the deficiencies that may occasionally have been identified. I am sure they will keep following that practice.

* * *

[*English*]

ENERGY

GASOLINE—POSSIBLE USE OF OPERATING COSTS OF SERVICE STATIONS TO JUSTIFY LIFTING OF PRICE FREEZE—REQUEST FOR TABLING OF INFORMATION

Mr. Cyril Symes (Sault Ste. Marie): A question for the Minister of Energy, Mines and Resources, Mr. Speaker. Did the oil companies, in arguing for a lifting of the voluntary price freeze on gasoline products, produce detailed figures for the government concerning the operating costs of service stations as part of their justification for a lifting of the price freeze?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I would have to inquire about that detail. I will do so and give the information to the hon. member.

Mr. Symes: Will the minister be good enough to table that information for the benefit of the Standing Committee on National Resources and Public Works so that the committee might be in a better position to ascertain whether or not the 20 per cent increase in charges to service station operators by the oil companies is justified in the light of the lifting of the price freeze which was supposed to be adequate compensation?

Mr. Macdonald (Rosedale): In the absence of any statutory authority, such as we would have under the terms of Bill C-32, we have had to secure this information on a voluntary basis. It has been provided to us, but since it is proprietory information affecting competing companies I am sure we would quickly cut off the flow of information if we were to table it for the use of a committee.

* * *

● (1500)

PUBLIC SERVICE

REASON FOR INCREASE IN AMOUNT ALLOCATED TO CONSULTANTS FEES IN VIEW OF INCREASE IN NUMBER OF CIVIL SERVANTS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, may I direct a question to the President of the Treasury Board, who has been playing musical chairs but is back in his seat now. In light of the fact that the federal civil service has grown over 10 per cent since 1973-74, would the

minister explain the necessity for increasing government spending on consultants' fees by 35.9 per cent over the same period?

Mr. Speaker: I am sure the hon. member will agree that this is a question that can be put to the minister during the examination of his estimates.

* * *

CANADA DEVELOPMENT CORPORATION

DATE OF DISTRIBUTION OF SHARES—POSSIBILITY OF USING PROCEEDS FROM SALE OF SHARES TO INVEST IN PETRO-CAN

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. In view of the comment made at the time of the incorporation of the Canada Development Corporation that it was anticipated that 90 per cent of the voting stock of the corporation would end up in the hands of individual Canadians and institutions, and in view of the statement in the 1973 annual report that it was anticipated that distribution would be made by May of last year, would the Minister of Finance inform the House whether such distribution of shares of the Canada Development Corporation is going to be made, and when?

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, indeed, in proper market conditions.

Mr. Stevens: Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the hankering of his colleague the minister of energy to incorporate still another Crown corporation, Petro-Can, has the minister given consideration to an early sale of part of the Canada Development Corporation's stock in order that he can use the proceeds to invest in Petro-Can, rather than have double investment?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, my colleague thinks that that might be worth considering.

Mr. Stevens: Mr. Speaker, I have a final supplementary question for the Minister of Finance. In view of the minister's early reply regarding suitable market conditions, and in view of the fact that the market has been considerably better, would he indicate if market underwriters have in fact refused to place shares of the Canada Development Corporation to date?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the Canada Development Corporation, under statute granted by parliament, is left to its independent management in relation to the market. I doubt whether that advice would be useful to the House or to the eventual marketing of those shares.

[Mr. Darling.]

INDIAN AFFAIRS

PROCEDURE OF DEPARTMENT TO EXPLAIN BENEFITS OF RURAL AND NATIVE HOUSING PROGRAM

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I want to direct a question to the Minister of Indian Affairs. Would the minister explain to the House what procedure his department is taking to inform those who might benefit under the rural and native housing program of the existence of the program?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think this question would better be put to my colleague the Minister of State for Urban Affairs under whose jurisdiction this program falls.

An hon. Member: Where is he?

Mr. Whiteway: A supplementary question, Mr. Speaker. Might I direct the question to the parliamentary secretary of the minister of housing?

Some hon. Members: To anybody?

Mr. Hees: Is there anyone at home over there?

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CONSUMER AFFAIRS

ALLEGED PRACTICE OF SUPPLIERS GIVING KICKBACKS TO CHAIN STORES—REQUEST FOR INVESTIGATION BY FOOD PRICES REVIEW BOARD

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. It arises out of a question asked by the hon. member for Yorkton-Melville. Has the minister any information, either from his own knowledge or from the organization headed by Mrs. Plumptre, with regard to an alleged practice of kickbacks known as "inside money" whereby large chain stores demand and receive from certain suppliers of food sums of money by way of kickbacks, thus substantially increasing the price of food to the consumer?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I read that in the newspapers and I read that in some reports from my department just as the hon. member did. That has been made public several times. An investigation was made into the matter but I have not received a final report as to whether or not there are grounds for that practice.

[*English*]

Mr. Baldwin: A supplementary question, Mr. Speaker. Would the minister consider giving instructions to the Food Prices Review Board to make a careful investigation into this alleged practice, especially into the existence of certain books kept by certain of the large chain stores which are supposed to provide firm evidence of this very bad practice?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I am not sure if my memory serves me right, but I think that the board has already given consideration to this matter. I shall check and report to the hon. member. However, I think that it is one thing to raise a question in the House and another to try to find relevant proof. If the hon. member is aware of some elements which could enable us to find the whole truth on that, I will be pleased if he would let me know.

[*English*]

Mr. Whiteway: A point of order, Mr. Speaker. In an attempt to get an answer to my last question I did direct the question in a final effort to the Prime Minister. I wonder whether he might undertake to answer.

Mr. Speaker: With all due respect to the hon. member, he did not direct his inquiry to anybody. It seemed to me that he put the question and was hoping for some response, but he never did put his question to a minister.

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TRANSPORT

REQUEST FOR PERMISSION FOR COMMITTEE TO TRAVEL TO VANCOUVER AND SEATTLE TO EXAMINE GRAIN HANDLING FACILITIES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I have a question for the Minister of Transport. In light of the questionable harbour facilities at Vancouver for the efficient handling of grain, would the minister be prepared to agree to an order of the House giving permission to the transportation committee to travel to Vancouver and Seattle to check into better ways of handling our grain, so we might meet our world commitments and help the starving people of the world?

Mr. Speaker: I have already ruled that in light of the emergency debate set for eight o'clock tonight to discuss the general question of grain handling, we should defer all questions on grain handling until that time.

Mr. Horner: On a point of order, Mr. Speaker, my question was directed to the Minister of Transport and related to a specific order from the House. I wonder whether he would be willing to ask the House to permit the transportation committee of this House of Commons to travel west to check into grain handling facilities at Vancouver and Seattle so that the whole question could be aired more fully.

Mr. Speaker: I understood the hon. member's question, but it seems to me that this whole question will be aired very fully beginning at eight o'clock this evening.

Mr. Horner: On a point of order, Mr. Speaker, my question—

Mr. Speaker: Order, please. The hon. member put his question and I ruled that it be deferred until eight o'clock. Then the hon. member raised a point of order and I ruled on the point of order. It seems to me the matter should now be dropped.

Mr. Horner: Then I rise on a point of privilege, Mr. Speaker. I do not deny you the right to rule on a point of order, but I do suggest to you, sir, that while my question might be relevant to the debate tonight it is a simple question requiring a yes or no answer, whether the Minister of Transport would agree to the order which could then lend some degree of hope to an improvement in the grain handling facilities on the west coast.

Mr. Speaker: Order, please. The hon. member touches the essence of his question when he indicates it relates to the grain handling facilities on the west coast. The hon. member for Hamilton-Wentworth.

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OLYMPIC GAMES

INQUIRY WHETHER QUEEN INVITED TO ATTEND OPENING

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I should like to direct a question to the Prime Minister. As rule 56 of the Olympic Games provides that the Games shall be opened officially in the presence of the head of state of the host country, can the Prime Minister advise whether he has extended that invitation to the Queen of Canada, and could he tell us whether this matter was discussed during his recent luncheon with Her Majesty?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will verify. I do not think the invitation has yet been officially extended, but I have been discussing the matter with the authorities of Montreal and Quebec.

An hon. Member: How was the salad?

Mr. Trudeau: As far as the salad was concerned, it was very crispy.

● (1510)

Mr. O'Sullivan: Mr. Speaker, perhaps the Prime Minister did not hear the latter part of my question. Since the Canadian people and this House are more concerned, and I submit entitled, to hear the Prime Minister of our country discuss more pertinent matters than the crispness of the salad, I would ask the Prime Minister whether he discussed this invitation with Her Majesty during the luncheon, and can he now give us an indication as to Her Majesty's reply?

Mr. Trudeau: Mr. Speaker, the reason for the second part of my answer is that obviously one of his own colleagues in the backbenches has a great interest in this and he asked me that question. I am sure the record of *Hansard* will show that. In so far as the question regarding discussions between Her Majesty and her first minister are concerned, Mr. Speaker, the hon. member will recognize that they are privileged.

Oral Questions

AGRICULTURE

POTATOES—REQUEST FOR STATEMENT ON SUPPORT PROGRAM

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I had hoped to put my question to the Minister of Agriculture, but in his absence and in view of the urgency of the situation I will direct it to the acting minister. Has an agreement yet been reached with the producing provinces in eastern Canada on a price support program for potatoes to offset the depressed market and prices, and is the minister now in a position to inform the House when we can expect some action along these lines?

Hon. Daniel J. MacDonald (Acting Minister of Agriculture): Mr. Speaker, in answer to the hon. gentleman's question, I do know that meetings have been held by the Minister of Agriculture of Canada with the ministers of two of the eastern provinces. There was another meeting yesterday and I understand some progress is being made, but I am in no position to reveal what the minister has done in this connection at this time.

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REGIONAL ECONOMIC EXPANSION

SUGGESTED EXTENSION OF ARDA AGREEMENTS IN BRITISH COLUMBIA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the minister responsible for regional economic expansion. In light of his continued difficulties in reaching an agreement with the province of British Columbia which would allow that province to participate in programs of regional economic expansion, and the difficulties experienced in central and northern British Columbia where they have a 15 per cent unemployment rate, and in view of the expiry of the ARDA agreement between the federal government and the province of British Columbia at the end of this month, will the minister tell the House whether he has discussed this matter with the province? Is the agreement going to be extended, or what is the situation at this point?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, as I understand the question, it has two elements in so far as the extension of ARDA is concerned. Let me make a distinction between general ARDA and special ARDA which is for native people. In both cases it is my intention to recommend to my colleagues that they be extended beyond the end of March, and I have every expectation that this will be the case. On the larger question of negotiations with British Columbia, if present arrangements can be completed, and I expect that they can, I will be in Victoria on Monday of next week to discuss the speedup of negotiations, with an effort to get at least a couple of supplementary agreements in place in the very near future.

[Mr. Trudeau.]

THE CANADIAN ECONOMY

INFLATION—REQUEST FOR EARLY STATEMENT ON OBJECTION IN SEEKING CONSENSUS AND PROGRESS THEREON

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister who will undoubtedly recall my consuming curiosity about the consensus, and my request yesterday that he make a statement before the Easter recess in respect of what the government is seeking a consensus on and what progress is being made. The Prime Minister said he would consult with his colleague, the Minister of Finance. Is he in a position to give the House this assurance today?

Right Hon. P. E. Trudeau (Prime Minister): No, not today, Mr. Speaker.

GOVERNMENT ORDERS

[*English*]

PETRO-CANADA ACT

MEASURE TO ESTABLISH CROWN CORPORATION

The House resumed, from Tuesday, March 18, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-8, to establish a national petroleum company, be read the second time and referred to the Standing Committee on National Resources and Public Works.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, as my colleague the hon. member for Don Valley (Mr. Gillies) has indicated, we are opposed to the passage of the bill now before us and the incorporation of Petro-Can. We believe there must be a halt to the continued growth of government in Canada. The weight of government grows—in fact to the point that it is now estimated that one in seven of our work force is employed by the government.

In March, 1925, when figures were first published, federal government employees numbered 39,000, compared with 121,000 in March, 1946, the beginning of the post-war period. There are now 443,192 people in the federal employ. It may be relevant to point out that in 1925 there was one federal government employee for every 238 Canadians. In 1946, the ratio was down to one in 102, and now the ratio is one in 50; that is, there is one federal government employee for every 50 men, women and children in this country. With today's automation, one naturally would have assumed that this ratio would have been somewhat reversed.

The cost of running governments, particularly the federal government, has risen at an alarming rate. In 1967, the end of our first 100 years, the federal budget was approximately $10 billion and today it is more than triple that amount. Expenditures must be covered by revenue, and total government revenue expressed as a percentage of gross national product has risen from 16.8 per cent in 1926 to 30.4 per cent in 1946, the last of the war years. In 1958,

that figure had dropped to 25.5 per cent. Today, however, 38.2 per cent of the total gross national product accrues to the government in the form of revenue.

If this trend continues, it will, in my opinion, place an unbearable load on the productive sectors of this economy, bearing in mind that it is the private sector which is geared to efficiency. I think it can generally be said that within business it is widely felt that a dollar saved is a dollar earned. In government, however, we find the philosophy is a dollar not spent is a dollar lost from next year's estimates.

We in the official opposition believe that the public sector must be limited in its invasion into the private sector. It was rather startling to hear our Minister of Finance (Mr. Turner) say today, in respect of the Canada Development Corporation which was incorporated on the strict understanding that 90 per cent of its stock would be turned over to individuals or institutions in Canada, that to date no arrangements have been made to sell even one share of that Crown corporation, and that in fact it is likely that the underwriters involved have refused to sell any of the corporation's stock.

Yesterday evening I was reviewing the record of some of our Crown corporations and I pointed out that if parliament is foolish enough to go ahead with the incorporation of Petro-Can, it will be the sixtieth Crown corporation to be owned by the federal government. I could also have pointed out that while there are 60 Crown corporations, there are in existence approximately 120 subsidiaries of those corporations. So approximately 180 legal entities are operating under the ownership of the federal government.

Before we plunge into the incorporation of this new entity for which the Minister of Energy, Mines and Resources (Mr. Macdonald) is hankering, surely it would be only prudent for every member of this House to consider what has transpired to date in respect of federal government enterprises. In this regard I would refer hon. members to page 271 of The National Finances for 1974-75. There they will find that the total assets of federal government enterprises are listed at $17.3 billion for the year ended December 31, 1972. At that time, the net worth held in those corporations by the federal government on behalf of all Canadians was $3.4 billion. But here is the real grabber: when we look at the profit and loss picture of these corporations we find that over the last few years, in spite of the fact that the federal government has $3.4 billion invested, they have been run at an over-all loss. In one year, 1972, the year for which the most recent figures are available, they earned a total of only $25 million on a net worth investment of $3.4 billion—less than 1 per cent.

● (1520)

With that type of background, I ask the backbench members of the Liberal Party why they are so anxious to push this bill through the House. I would like them to show good faith with the Canadian public by offering to invest $1,000 each in Petro-Can and put their money where their vote and their mouth is. I think you would find a very different attitude if Liberal backbenchers were asked to contribute $1,000 each to a concept like Petro-Can. Then we would find the true facts. They must know that this will be a losing proposition, yet they totally ignore the trust that has been given to them to sit in this parliament and invest public moneys prudently.

I should like to review some of the other situations which pertain in respect of these Crown corporations. Last evening I referred to the CBC. I suggested that when one looks at the statements of the CBC it would be refreshing to consider similar statements of the private television networks in the United States and Canada and compare their expenditure ratios and the profit and loss picture. If we look at ABC, NBC and CBS in the United States, we find that those three companies, in relation to their broadcasting activities alone, make more money than the total loss of the CBC.

Let me put it another way: the CBC lost almost as much in the year 1973 as those three companies earned. Surely, as the senior parliament of this country, we must start asking why. Is it proper use of Canadian taxpayers' money when there is a loss, in the case of the CBC, of over $200 million in one year?

In the last decade there has been a change from public to more private initiative in many of the socialist nations of the world, while many of the western industrialized nations—including Canada under the Trudeau, Liberal government—have been following the reverse course. I would suggest that lately among academics and bureaucrats in the west there has been an almost unquestioned presumption in favour of public participation and something approaching hostility to private initiative.

Prior to the First World War western attitudes saw business in a different light. It was agreed that business was then the centre of the economic world and government tended to be incidental. Today, governments no longer operate in a business-centred environment; it is a social-centred environment with which they are concerned. This is where I believe confusion has arisen in the past 30 years between the people and the governments of the western nations, including Canada. In their anxiety to relieve social needs, governments have continually and needlessly infringed on the private sector; they have responded to current problems on an ad hoc basis with little reference to longer range considerations. This develops an uncertain economic climate within which it is difficult for businessmen to operate.

Since 1939, government expenditures in Canada have risen from a total of less than $1 billion, or 16 per cent of the gross national product, to $45 billion, or 38 per cent of the GNP in 1973. In the current year it is estimated that the government "take" will be about 40 per cent.

Governmental activity in Canada falls into three broad categories. The first is the traditional role of surveillance, protection and regulation on behalf of Canadian citizens. This would include, for example, the setting of monetary and fiscal policies and the application of regulations where there are natural monopolies in the country. A second field is the transfer of income by government from region to region or from person to person. A third activity is the direct participation in the production of our resources, the manufacture of goods, the providing of commercial services and the operation of business generally.

In today's social-centred environment it is important that both the private and public sectors distinguish these three categories of governmental functions and understand them. In my opinion, governmental activity should be confined mainly to the traditional role of surveillance, protection and regulation. They have a limited but desirable role to play in category two, the transfer of income, but they should avoid like the plague extended participation in the third field of commercial activity such as Petro-Can. In recent years, however, an overwhelming increase of government spending as a proportion of gross national product has been in government current expenditures on goods and services and in transfer payments to persons.

Prior to 1950, government current expenditure for goods and services was relatively static at approximately 10 per cent of our gross national product. By 1973, government current purchases of goods and services had risen to $22.8 billion, or 19.2 per cent of the gross national product—almost twice as much as its share of the gross national product in the year 1950. In 1929, transfer payments to persons represented 1.5 per cent of the gross national product. By 1973, such transfer payments to persons had risen to $11.2 billion, or about 9.5 per cent of the gross national product. The federal government has been the major innovator in this field of income maintenance and stabilization.

Recent growth in federal government operational activities is also reflected in the government's loans to and investments in Crown corporations to which I have referred. These corporations between 1968 and 1974 more than doubled in size. The government has advanced some $16 billion to these corporations, and at the present time 140,000 Canadians are employed by Crown corporations in this nation.

Sharply higher governmental expenditures for goods and services and transfer payments to persons to equalize incomes required government revenues also to jump from 21 per cent of the gross national product in 1938 to 38 per cent in 1973. About 12.5 per cent of this increase—that is, of the 17 per cent—was accounted for by a sharp rise in direct personal taxes including other transfers from persons. I believe that is what we often forget in this House.

● (1530)

The person who is actually paying for the recklessness of the Minister of Energy, Mines and Resources (Mr. Macdonald) and his colleagues is the individual taxpayer in Canada. It is not the fat cat, it is not the big something or other that they like to conjure up; it is the average person in this country who will have to pay for the minister's folly. That is why I would like to re-emphasize that if the Liberal members are confident that this will be a worth-while venture, let them each put $1,000 on the line; let them go to the minister and say they will put up $1,000 to invest in his fine idea, namely, Petro-Can. I bet there would not be 5 per cent of them making such an investment.

Direct personal taxes, including other tranfers from persons, now account for about 40 per cent of all revenues raised by governments, compared with 13 per cent in 1938. That is a jump of over 300 per cent in the total revenue

[Mr. Stevens.]

ratio of the federal government from the personal sector alone. These shifts in the source of tax revenue lead to the conclusion that continued increases in government spending for goods and services and the expansion of transfer payments will, in my view, dull the personal initiatives of those Canadians who are required to pay these sharply increased taxes.

In September of 1969, the Economic Council of Canada issued a review which they entitled "Perspective 1975" in which they said at page 26:

> Governments will be absorbing or redistributing about 37 per cent of the nation's total income by 1975 compared with 33 per cent in 1967.

Then they added the following:

> One of the most important implications of our estimates is that major new government spending programs requiring large additional resources can only be accommodated through large cutbacks in existing programs.

This is an objective that they point out is in itself highly desirable. Then they add that if those alternatives are not chosen, the additional revenue must be raised—

> —through tax increases leading to a larger shift of resources than we have indicated from the private—mainly the consumer—sector to the government sector of the economy.

With the government "take" already at 38 per cent of our gross national product two years before 1975, and with taxes at an all-time high, those concerned—namely, the Trudeau government—have obviously taken the third course and opted to increase taxes rather than cut back existing programs or increase efficiency as suggested by the Economic Council of Canada.

In my opinion, the Canadian government has not acted responsibly in the past decade in administering their trust on behalf of the Canadian people under category one, especially with respect to the fiscal and monetary increases of over 20 per cent per year which have been dictated, I suggest, by political expediency rather than sound economic reasoning. As a result, inflation has been three times higher in this country than the Economic Council of Canada predicted it would be as recently as 1969.

The Minister of Finance (Mr. Turner) "let it all hang out" a week ago today when he testified before the Standing Committee on Miscellaneous Estimates. In answer to the question, "Why have you allowed government spending to grow so quickly?" he said:

> In democracies today, there are no such things as economic cycles; there are political cycles, depending on the pressures of public policy and depending on the parliamentary or congressional process at the time. One may tend to see this operating now in the United States where you have a Republican President and a Democratic Congress. Certainly we were under political imperatives—

He was referring to the last parliament.

> —where the pressures were stronger in a minority rather than a majority parliament. Those happen to be facts of life.

At that point I interjected, "You wanted to be re-elected", and the minister replied, "Those happen to be facts of life". Unfortunately for the Canadian people, this government put their re-election ahead of handling our economy in a responsible way. If you look at the charts, you can see exactly when this government determined they would call the July 8 election last year. The money increase shows it very clearly. It was going up sharply at over 20 per cent

per year until the spring of last year, and then it plateaud very dramatically to a negative growth which Dr. Raynauld, chairman of the Economic Council of Canada, later described as excessively restrictive. In short, they blew up the economy in anticipation of the July 8 election, and then in order to counter the excess that they had deliberately put into the economy they contracted it unduly. That is one of the reasons we have 839,000 people out of work today.

The Minister of Finance apparently does not know now which way to turn to adjust his economic stance. With such an attitude adopted by our Minister of Finance, is it any wonder that we have today's mish-mash of economic inconsistencies, high inflation, high unemployment and current account trade deficits of an admitted $3 billion and, according to the Minister of Finance yesterday, they could be as high as $5 billion?

Let me put it another way. With the Post Office losing over $100 million a year and still not able to deliver the mail on time, with our airports losing still more and never being open for certain, and with our harbours—a subject which will be debated tonight—struck regularly by a public service that was given the right to strike by this government or its predecessor in 1967, is it rational for some, including government members, to suggest that Petro-Can should be incorporated to give the government still more operations to run?

Let there be no mistake; it is no accident that fully planned economies in the world are run by dictators. You cannot create or preserve prosperity in a fully planned economy through a democratic form of government; they do not mix. A marketplace economy which preserves private initiative will produce the greatest wealth for the greatest number of people. A competitive private enterprise system is not only an economically efficient institution but it also safeguards individual liberty.

Let me deal with these two facts separately. First, let us consider the economic efficiency of the private enterprise system. As a business person new to the political arena in Ottawa, I am astounded by the inefficient, disorganized, non-productive government activities I witness every day. Time and again, when one would hope the government would act in a businesslike manner in settling strikes or in extending assistance to commercial concerns one finds they are swayed by political considerations. Government does not have the discipline found in private business. To survive in business you must make a profit or at least break even. Not so in government. In private business a dollar saved is a dollar earned. Unfortunately, in public business a dollar not spent is a dollar lost from next year's estimates. The net effect of this is reflected in the Crown corporation statements to which I have referred: in short, a net worth investment on the part of the federal government of $3.4 billion, in 1972, and a return on that investment of $25 million, which is less than 1 per cent. Given the chance, who among the Liberal backbenchers or cabinet ministers would want to invest in that type of portfolio?

● (1540)

Let me be more specific. An interesting comparison can be drawn between Central Mortgage and Housing Corporation in Canada and the Federal National Mortgage Association in the United States. Both companies were organized for similar functions; both were owned by their respective governments up to 1968. In that year, the Federal National Mortgage Association—known affectionately at Fannie Mae—was turned over, in a unique plan, to the private sector with the United States government retaining a supervisory role. The contrast between the two companies from that date is startling. In 1967, CMHC had assets of $3.6 billion, while Fannie Mae had assets of $5.4 billion. That year, CMHC earned $7.2 million, while Fannie Mae's net income was $15.4 million. By 1973, the assets of CMHC grew to $6.6 billion but its net income went down to $2.9 million. Fannie Mae, on the other hand, by 1973 had $24.3 billion in assets and its net income had risen to $125.7 million, after having contributed $106 million in federal taxes to the United States.

Mr. O'Connell: On a point of order, Mr. Speaker, we are hearing some very interesting financial statistics and the hon. member is comparing CMHC with an institution in the United States. Would the hon. member comment on whether in the United States more houses are actually being built for the people than in Canada, in proportion to population? Would he give us those figures? Houses are for people.

An hon. Member: He can't.

Mr. Stevens: If the hon. member means, has CMHC been responsible for the building of houses, I refer him to the CMHC annual reports. Each year he will see that the number of CMHC-financed houses, up to the most recent annual report, has been on the decline.

An hon. Member: What is the answer to the question?

Mr. Stevens: I would be very pleased to answer any questions in the hon. member's time after I have used my allotted time. Let me continue. I want to emphasize this because I know it gripes people who love Crown corporations. I want to emphasize that while they are looking for new empires it is the Canadian taxpayer who is paying the shot, and surely they should not continually come out with a lot of drivel when the fact is that in the figures I have given CMHC grew 83 per cent in assets and its net income fell 248 per cent. The privately-run Fannie Mae organization in the United States grew 450 per cent in assets and its net income jumped 816 per cent. With that startling difference would it not be prudent to at least have the government indicate that we should have an inquiry to look into it?

Why is CMHC earning virtually no money when the Americans, by working out a unique type of deal with the private sector, ended up making over $125 million within a few years of moving into the private sector? These questions have to be answered. I point out to the hon. member that one of the reasons we have such highly-priced houses in this country is the inaction of this federal government, be it through CMHC or directly.

An hon. Member: Get to the point.

Mr. Stevens: The point is that the government is incorporating another Crown corporation which will incur

colossal losses and be a drain on the Canadian public purse. If hon. members are impatient for me to get to the point, I only hope they will not be impatient in answering the questions of the people of Canada in ensuing years when they ask why Petro-Canada has been another national disgrace. Partly in answer to these questions, it is interesting to note that the administrative expenses of CMHC of $39.6 million are more than twice as high as those of Fannie Mae, in spite of the fact that CMHC is only a quarter of the size of Fannie Mae. Those administrative expenses include $30.7 million in CMHC salaries in 1973. Those salaries, in the aggregate, have jumped 122 per cent since 1967. The hon. member has the nerve to stand up and ask about the housing industry in Canada, yet CMHC has increased its aggregate salaries by 122 per cent since 1967. I hope some houses are built, in view of that kind of increase.

I am satisfied that the government is not an efficient operator in business, and certainly a business run under the authority of the present Minister of Energy, Mines and Resources will be a colossal fiasco.

Mr. Macdonald (Rosedale): Tell us about the Bank of Western Canada. When do the investors get their money back?

Mr. Stevens: They got their money back much faster, and in its entirety, than the taxpayers of Canada will get theirs out of Petro-Canada. A competitive private enterprise system will out-perform publicly-run institutions, and rather than being a drain on the economy it will contribute substantial tax revenues to it. Let me deal with the second reason I believe a competitive private enterprise system is preferable to government intervention at the operational level. A competitive private enterprise system safeguards individual liberty. Milton Friedman stated in 1962:

> The kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other.

Competitive markets, according to Friedman—

> —reduce greatly the range of issues that must be decided through political means, and thereby to minimize the extent to which government need participate directly in the game. The characteristic feature of action through political channels is that it tends to require or enforce substantial conformity. The great advantage of the market, on the other hand, is that it permits wide diversity.
>
> Yet this same competitive private enterprise system that extends economic freedom acts also to promote political freedom. For the fundamental threat to freedom is the power to coerce, be it in the hands of a monarch, a dictator, an oligarch, or a momentary majority.

I suggest a momentary majority such as we have under the Trudeau government. Mr. Friedman went on to say:

> The preservation of freedom requires the elimination of such concentration of power to the fullest possible extent and the dispersal and distribution of whatever power cannot be eliminated through a system of checks and balances. By removing the organization of economic activity from the central political authority, the market eliminates this source of coercive power. It enables economic strength to be a check to political power rather than a reinforcement.

● (1550)

If governments continue to enter category number three—that is, the operational business field—they will tend to lower efficiency through the making of political rather than businesslike decisions. As a nation becomes more frustrated with this inefficient approach and resulting strikes, there is a distinct possibility the voters will turn to a strong man be he of the right or the left: He need only promise some type of order and some type of security to win favour.

Let us not forget, when we are considering the extension of the public domain, Mr. Speaker, that history has shown that man treasures order and security even more than he does freedom. That is why I believe we must resist, with all the determination we can muster, the empire-building exploit that the Minister of Energy, Mines and Resources is about to embark upon with Petro-Can. Petro-Can is not going to make the oil industry more competitive. Tommyrot! It is not going to find oil that would not have been found anyway. The fact is, it is going to be a tremendous drain on the taxpayer.

The Acting Speaker (Mr. Penner): Order, please. I regret interrupting the hon. member, but the time allotted to him has expired.

Some hon. Members: Continue.

Some hon. Members: No.

The Acting Speaker (Mr. Penner): The hon. member may continue if there is unanimous consent.

Mr. Macdonald (Rosedale): No. Let's hear about the bill.

Mr. Stevens: Mr. Speaker, I take it the Minister of Energy, Mines and Resources does not want me to continue.

Mr. Macdonald (Rosedale): Let's hear what somebody else has to say.

The Acting Speaker (Mr. Penner): Order, please. The hon. member for Vancouver Quadra (Mr. Clarke).

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I rise to partake in this debate on Bill C-8 sensing that the minister and his colleagues are getting nervous about its passage. I hope that my colleagues and those who are concerned with the principles expressed in the bill will keep talking so the public may know what the government is proposing to do under the bill and so the defenders of those ideas can have their say. Much has been said by my colleagues—

An hon. Member: No, not much.

Mr. Clarke (Vancouver Quadra): —concerning the detrimental effects of this legislation on the petroleum industry in Canada. I do not want to repeat those things, but I do want to emphasize that this government creation is no more likely to find oil than the enterprises now searching for it. In fact, it will start off at a disadvantage because it will not have the expertise that is available to the private sector.

My friends in the New Democratic Party cry about oil company profits. Apparently it is easy for them to forget entirely the fate of Canadian investors in the petroleum

industry. They also easily forget the size of the government's "take" at the moment from this overworked and overtaxed industry. When the price of Alberta crude oil produced for the Canadian market almost doubled from $3.80 to $6.50, my friends to the left complained about the high price but did not say anything about where that money goes. The oil industry's share dropped from 53 cents to 47 cents per barrel while oil was going up in price. The federal government's share more than quadrupled, and the provincial share—which is tax, no matter how you look at it—nearly tripled to almost $3 a barrel.

I should like to examine the effects of this legislation from a slightly different viewpoint, Mr. Speaker, although I am sure I will come to the same conclusion as my friends in the Conservative Party. I wonder whether a national oil company is necessary for Canada at this time or at any time. Some people may remind us of the crisis of last winter and point out that the government had to buy oil on the international market. Others might say that the shortages were a false alarm, that the industry would have provided our needs and that the government did not need to go into the market itself. Anyway, they might say, the government paid too much for what it purchased in that panic situation.

What would this new national oil company do for us other than provide some executive jobs in still another government bureaucracy? I should like to look for a moment at the stated purposes of the corporation as set out in clause 3 of the bill. I will not read the whole clause, but it reads in part:

—to establish within the energy industries in Canada . . . and to engage in exploration for, and the production, distribution, refining and marketing of, fuels.

The extent of the purposes set out in that small clause leaves no room to doubt what the government intends to do to the industry in this country. It sounds as though they will have adequate powers. Clause 6 sets out the details of the powers and duties of the corporation. We see that they are entitled to engage in exploration, research and development, to "import, produce, transport, distribute, refine and market," and to "produce, distribute, transport and market other fuels and energy". I emphasize the word "other", Mr. Speaker. Clause 6(e) empowers it—

—to engage or invest in ventures or enterprises related to the exploration, production, importation, distribution, refining and marketing of fuel, energy and related resources.

From those key words it is apparent that this government would like to give itself power to get involved in the whole fuel industry. I cannot think of a single aspect of the fuel industry that has been left out of the objects, powers and duties as set out in that clause. If there were any question about powers that were missing, they are described in clause 7 which, referring to powers alone, reads:

The corporation may do such things as it deems expedient for or conducive to the furtherance of the objects of the corporation, within and outside Canada, and, without restricting the generality of the foregoing, the corporation may—

Then it lists 26 additional powers, which I shall not read. I am thankful that our alphabet only runs to 26 characters, Mr. Speaker, when I think of what they would have done if they had tried to go from beginning to end of some of the longer alphabets in the world. From the wording, which gives the corporation the authority to do all things which are incidental and conducive to the attainment of its objectives and powers, there is little doubt as to what the government has in mind. As the hon. member for York-Simcoe (Mr. Stevens) said, this will truly be a glorious government conglomerate, but will it pay taxes even if it does put taxpaying enterprisers out of business? I should like to remind hon. members that the enterprise system pays taxes of all sorts, and in huge amounts, to all kinds and levels of government. Some of my friends have overlooked this fact and I like to remind them of these things.

● (1600)

I do not know why we should not doubt Petro-Can's ability to pay taxes. Let us consider the operations of the CNR to which the hon. member for York-Simcoe alluded. According to the annual report for 1973—the 1974 report is not yet available—the CNR, that large, government conglomerate, is involved with 41 separate companies which engage in many different businesses. But does the CNR pay taxes? No, it does not.

Rail transport is important for this country and some contend that private enterprisers might not provide adequate rail service. But what about the Canadian National hotel operation? Canadian National hotels compete with hotels run by private enterprisers which make profits. According to page 11 of the annual report, CN hotel operations had a net income of $4 million. That is only part of the story. If you want the full story you must turn to page 34 of the annual report, where you will find the consolidated income statement for the year ended December 31. The statement shows that after deducting all expenses except one, the CNR had a net income of $48 million.

The last item reveals the full story as it shows the total interest on debt. Any businessman can tell you that interest payments are a substantial factor in any business operation. Unless you consider how much interest you pay, you cannot determine your net income. On page 35 of the annual report, under "Source and application of funds for the year ended December 31," the CNR is forced to admit that it obtained its funds from the government, as the second line in the first item reads, "Government of Canada in respect of deficit for the year." The upshot is that the Canadian National ran a deficit on operations of over $21 million.

We cannot tell how much of this loss is directly attributable to hotels and how much is directly attributable to the railway operation or to the operation of any of the other 39 companies involved with CN. The government makes good these losses by taxing other hotel owners who operate their hotels profitably. This government practice led some thinker of the Pacific Trollers Association to define capital punishment in a new way. He said that capital punishment is when the government taxes you to get capital so that it can go into competition with you, and then taxes the profits on your business in order to pay its losses. What a sad commentary on what is going on!

Let us look at another government fiasco, Connaught Laboratories. Connaught Laboratories was a well respected operation of the University of Toronto. It provided

high-quality products at reasonable prices. Then along came the CDC and acquired Connaught Laboratories. Since then what has happened to Connaught Laboratories? It has run up huge operating losses and produced products of questionable quality. This may result in damage awards against the company or, shall we say, against the government. We might as well say they will be awarded against the taxpayer, because he will pay in the end.

Let me list some other Crown corporations or some other fiascos which have resulted from the government's entering the sphere of private enterprise. There is the CBC, about which I will not go into detail, and Air Canada. The list is not endless as I understand that only 59 Crown corporations use—I do not say "consume"—some $16 billion of taxpayers' money. I have asked if Petro-Can is necessary. I ask, are many of our Crown corporations necessary? Certainly there are fields in which the government must be involved, but need it be involved in the broadcasting business?

The CBC has run up tremendous losses, as my friend from York-Simcoe suggested. There is no need for the government to be in the broadcasting business and run up these losses, which absorb I don't know how many hundreds of millions of dollars, because private enterprisers would be only too glad to take over the operation of the CBC. Air Canada, as a Crown corporation, may have been needed in the 1930s during the birth of the air travel explosion, but today many airlines are operated by private enterprisers and they do not need government help. Air Canada, as a Crown corporation, does a bad job and ends up by being a burden on the taxpayer instead of contributing to the economy of this country, which is what the airline would do if private enterprise were running it.

Some hon. members may say, "If you let private enterprise run the airline, you will not see proper service in the outlying areas of the country." To answer them I refer to the telephone industry. In my province of British Columbia private enterprise runs the telephone service, and the most remote community in British Columbia is served. The reason is simple: although it costs the telephone company money to service remote communities, it is told that such service is a condition of its licence. If it wants to provide telephone service in Vancouver, it must supply similar telephone service in far-out communities. That simple solution could be applied by the government to other areas.

Private enterprisers expect problems when dealing with the government. The new president of the British Columbia and Yukon Chamber of Commerce summed it up this way, as reported in the *Globe and Mail* of February 20, 1975:

> Dealing with the government has been a real education to some of us. And I think the basic reason is that most of us in mining are technically trained, we have training which deals with facts and logic, and we were going up against a government philosophy.
>
> And you soon find that facts and reason just don't apply against that. They don't make a dent. It took a while for us to appreciate that . . . But they must leave enough to provide an incentive to the industry and they're not doing that.

Other colleagues have expressed that sentiment. Unless the government provides the free enterprisers of the country with incentive, our system as we know it in Canada today will not survive.

Government expenses are continually rising, with the help of the 59 Crown corporations I mentioned and with the help of an ever increasing bureaucracy. Is our large bureaucracy really necessary? I think we should compare our situation with that of the state of California. The Governor of the state, on taking office some eight years ago, observed that nothing is more opposed to creativeness than bureaucracy. We should bear that in mind when debating this bill.

I hope hon. members will bear the following facts in mind: California entered 1975 with a constantly decreasing welfare population receiving constantly increasing benefits, with financially and technically sound energy and water supply systems—and we do not even have an energy policy in this country—and with enforced environmental standards that are both lowering air and water pollution and preserving an extraordinary range of recreational opportunities. The state of California has established a superb highway system that has become an orderly segment of an integrated transportation system. I am sorry the Minister of Transport (Mr. Marchand) is not present to hear what can be done. I think the key to the situation in California is this: in 1975 the state employs no more people than it employed eight years ago, even though in eight years state spending has doubled and state services have multiplied. One cannot make similar claims for the operations of this government.

● (1610)

I should like to compare the California situation with a similar sample in my part of the country, the province of British Columbia, where of course we have an NDP government. Out there a nice backbencher by the name of Mr. Nunweiler came from the interior of British Columbia, Prince George, and for some reason or other it was decided that Mr. Nunweiler should be a minister. There was not a portfolio available for him, so he was made a minister without portfolio. That probably satisfied him and also his constituents, so instead of being a lowly backbencher at a mere $24,000 per annum salary, he is now a cabinet minister with a salary of $45,000. Of course, after that he had to have an executive assistant, a full-time secretary and two clerk-stenographers. This amounted to an additional expenditure of $50,000 for his office.

Mr. Symes: You get that in Tory Ontario.

Mr. Clarke (Vancouver Quadra): Then he had to have an office in Prince George—after all, that is his home town—and the office in Prince George had to be staffed as well. So he employs an executive assistant, an economic planning consultant, a social policy co-ordinator, a public liaison officer, a resource planning consultant and an administrative assistant. When you add up all those salaries it comes to another $94,000.

In addition, of course, there are office expenses amounting to $25,000, travelling expenses of $40,000, and office furniture in the amount of $10,000. Then there is the cost of printing and publishing—necessary if anyone is to believe us—and printing and publication costs amount to $25,000, as well as advertising, just in case anybody forgets

who that minister is, costing another $5,000. Then, taking a leaf out of the book of the government in Ottawa, there is a final item—consultant fees and expenses, $50,000 for the year. Mr. Speaker, when you add all that up, instead of having a nice backbencher at a cost of $24,000 we have a minister without portfolio with expenditures totalling $402,000 for the year.

It will be said that all the rules are clearly set out in Bill C-8 and that there is no danger of what I am suggesting taking place. Let us ask ourselves how Ottawa has been doing in this area, then, in its other legislation. Only a few cases involving the 1972 income tax reforms have yet come before the courts of this country, yet judges are already showing their frustration with the sloppy drafting of the legislation. They have been coming down hard on the side of the taxpayers even when this has gone against the apparent intent of the law. I emphasize here the words "apparent intent" because, as will be understood from my remarks, the judges do not even know what parliament intended to do. There was a recent series of cases which the courts feel may be just the start of a flood of litigation. The judges have indicated that the tax rules may be unenforceable if the wording is too vague, complex or obscure to understand. One judge had this to say:

> I cannot know for a fact what parliament in its wisdom meant by the inclusion of the word "active"—But I think I can assume that to the legislators it meant something, or the word would not have been inserted.

This judge said later, in giving judgment:

> I am also just as certain, if one can be certain of anything about this section . . . that it was never intended, in my view, to cover a company such as this.

He ruled in favour of the company and said that his decision was based solely on the way in which the section had been worded. What a testimony from one of the keepers of justice in this country, to make comments of that kind about legislation put forward by the government! I am afraid that with the government's record in connection with this type of legislation, Bill C-8 may turn out to be worse than even we think it might.

I would like to give one more piece of personal experience which tends to show the ineptness of the government when it comes to legislation. Just this month I received in Vancouver, addressed to my business office there, a letter mailed from Montreal on the letterhead of the Department of Consumer and Corporate Affairs addressing me as a professional closely involved with corporation and suggesting that I would be concerned with the Canada Business Corporations Act. The following is a paragraph of that letter, Mr. Speaker:

> Consumer and Corporate Affairs is designing a comprehensive seminar on the Canada Business Corporations Act.

They know we will not be able to understand it the way it is written, so they want us to come out and be told how it is going to work. Then they cannot quite decide what they want to do, so the letter goes on:

> When do you want it? Where? What would you like to discuss?

Of course, the simple answer which the government to this day seems to ignore constantly is that all we want is to be able to understand the laws. As I said a moment ago, we have absolutely no assurance that Bill C-8 is going to be any better than the laws the government has been passing recently.

When a government department or corporation gets loose, it is time for us to look out. For example, I would like to refer to something being done by Central Mortgage and Housing Corporation: it will show how tight their policies are. In 1973, CMHC spent $12,500,000 to acquire an industrial estate known as Granville Island in Vancouver. Then in 1974 it had to spend $1 million on redevelopment, administration and operation of this industrial estate. Now we are getting into the 1975-76 estimates, and they include $7.75 million for this project. This may seem like a worth-while project and I am sure it will bring satisfaction to many Vancouver residents even though it is located under a high bridge and is unseen by all but a few.

I really think it is time, in this day of energy conservation and transportation difficulties, that the idea of relocating all industries which were on this industrial estate to the suburbs should be looked at as well. All the people who live in the centre part of town and who would have liked to work in this estate are now faced with commuting to the suburbs. It certainly seems a bit backward to me. But there is not the slightest intention of providing any housing on Granville Island and there certainly are no mortgages involved. So my question—one which I have asked the minister before now—is: what is Central Mortgage and Housing Corporation doing in this venture? The only explanation I can think of is that the government got caught up with the original falsehood of Granville Island itself, because Granville Island is not even an island.

Mr. Speaker, the former auditor general, Maxwell Henderson, summed it up last week when he said the erosion of parliament's control over government spending continues. In the past ten years, spending has increased fivefold and now the estimates are $28 billion. I have often accused the government of being the chief contributor to inflation in this country. Of course, there is imported inflation, but the present government ignores the total problem or, as the Prime Minister (Mr. Trudeau) says, they will wrestle it to the ground; and the government hopes for the best.

Finally, last week the Minister of Finance (Mr. Turner) admitted that cost increases from wage settlements were disturbing and that they could be dangerous to Canada. I hope, Mr. Speaker, that through the examples I have cited the House may realize that the good intention which undoubtedly the minister had when he sponsored Bill C-8 will be no match for the forces which will come into play after it is made law. We would be well advised to reconsider carefully the function of the government in the enterprise system before we get swallowed up in another monstrous, uncontrollable bureaucracy. Just as the sorcerer's apprentice became the slave of the broomsticks because after starting them up with the best of intentions he found he had lost control of the situation, Canada will have lost control of the situation, Mr. Speaker.

● (1620)

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, as I make a few comments on this matter I wonder whether it is a coincidence that since 1968 the Liberal government has created twice as many Crown corporations and, if we include the 1975-76 budget, has also dou-

bled its spending. I suppose it would be reasonable to think that with this creation of Crown corporations and the government's embarking upon business ventures, there should be an easing of government spending. That is to say, by taking over some of the services Canadians demand which were previously carried on by private enterprise profitably, the government should be able to make a profit which could then be applied to the public purse to defray some of the expenses of government in carrying out these services.

Having been in private business, I always dreamt that some day I would be able to start and run a business where I had no worries about lack of working capital. I dreamt I would be able to walk into a bank and tell them what I wanted to do: I would say to them; "I think this is a great dream; there is no way it can fail". Every businessman starts out in business with this vision. The banker would say to me; "Now, don't worry about it, Frank; you go ahead. There is no bottom to the barrel, so don't worry about your working capital; away you go".

I also dreamt that some day I would run a business where I would not have to go to the bank at all; I would not have to pay any taxes; I would pay no interest on my working capital; I would pay no royalties if things got tough: indeed, I would pay none of the taxes or charges private businessmen have to pay today.

Mr. Clarke (Vancouver Quadra): What a dream!

Mr. Oberle: Yes, what a dream! I never realized that I would have to get elected to parliament before I could become a director, so to speak, in one huge corporation that has no problem with finding money, a corporation that dips into a barrel that has no bottom, that does not have to charge itself any taxes. In a pinch, it can write off royalties. What a way to run a business! We all know, Mr. Speaker, that many of the businesses this government runs show no profit even though they pay no interest on their borrowings and pay no royalties. They are bailed out repeatedly every year. All they have to do is to dip into the barrel and take out millions of dollars.

Some of the Crown corporations to which I refer are disgusting and disgraceful. Surely to goodness the government's purpose is to equalize wealth and opportunity in this country. I go further and say that government has the responsibility to provide essential public and social services such as hospitals, schools, law an order. I do not have to tell my colleagues what the original purpose of government was supposed to be, because they all know. But is it the purpose of government to involve itself in transportation, housing, communications—all the many headaches the government has that are also headaches to the taxpayer? The Canadian taxpayer is no longer a taxpayer; he is a shareholder in a huge non-profit corporation.

What is a non-profit corporation, particularly in a country like ours? Any corporation that does not make a profit at the end of the year does not, of course, have any resources or money left to expand. At a time when we realize the necessity for agriculture to increase its productive capacity, and there is a challenge to create secondary industry throughout Canada to protect us against the sell-out of our resources, the government is taking over more and more services and not making a profit. This means there will be no expansion, because the government has no money left at the end of the year to expand these services.

The bill we are discussing today is proposing to incorporate a company called Petro-Canada. The minister has told us that one of the reasons for Petro-Can is to enable the government to participate in Syncrude. I did not have an opportunity of talking about Syncrude previously, so let me illustrate what I think is happening to the shareholders, the taxpayers, in the Syncrude venture. I will have to take the minister's word for it when he says that the reason the federal government is getting into the Syncrude venture is to assure Canadians a steady supply of petroleum resources. This is all very laudable; but he is going to spend $300 million, first of all. He will have to go into partnership with corporations which have been identified in this House as irresponsible and as rip-off artists. Did the minister have to go into this venture with an investment of $300 million, which put him in a minority position, just to assure security of supply of petroleum resources for Canadians?

The fact is that 40 per cent of our fossil fuels in Canada are not in crude oil or natural gas, but in coal. It is also a fact that the United States has not only recognized the worth of coal but has also recognized it is much cheaper to develop the process of coal gasification and coal liquefaction, and to assure themselves of security of supply in that way, than it is to go into the Syncrude project.

As a practical businessman, I look at Syncrude in this way: it is a great project for the province of Alberta; it has created a lot of activity in the province and I congratulate the Premier of Alberta because he made a smart move, particularly since somebody else pays the bill. We all know the cost of a barrel of oil today, but the cost of a barrel of oil when this project is finally realized will be at least $12. We also know the margins that the OPEC countries enjoy so far as their export price of crude oil is concerned. In my opinion, there is no way that the OPEC countries will diminish their exports of crude oil once Syncrude comes on stream. They will continue to sell it as they always have and in order to do so they will simply lower the price by $3 or $4 a barrel. They could even lower the price by $6 in order to stay in a competitive position with Syncrude. That is one practical point that I want to bring out.

Another point I want to make is this. No one can tell me that people in Montreal and Toronto are voluntarily going to pay an artificially high price just to keep alive a brainwave that the Premier of Alberta might have had regarding investment in Canada. Therefore, all that Syncrude will do for Canada is to assure us of a continued flow of energy supply at a cost that we will not be able to afford, and we will continue to buy oil from Venezuela and the other OPEC countries.

● (1630)

For $300 million we are, as taxpayers, now partners or shareholders in a venture with large oil companies which will, when the facts are all known, pull out of this venture and write off their loses against other income, leaving us with the whole $2 billion project which will really never get off the ground.

In almost everything we do, we follow the United States, but this government is not following the leadership of that country in assuring us of a supply of energy for the future. If it were following that leadership it would embark upon some ambitious and intelligent research into new sources of energy such as hydrogen from seawater or other exotic sources about which we have heard.

I am not bothered so much about the fact that this government intends to embark upon a venture the purpose of which is to establish within the energy industries in Canada a Crown-owned company with authority to explore for hydrocarbon deposits. That does not worry me so much even though there is only one chance in 50, as demonstrated by private industry lately, of success in finding significant deposits of oil and natural gas in the areas that have been explored in the last five years. Can you imagine Canadian taxpayers being asked to take one chance in 50 in a business venture with their money? These are the same taxpayers who provide not 40 per cent, as my colleague said earlier, but closer to 50 per cent of total government revenue. These are the same taxpayers who have a very difficult time to provide the most essential public services and properly nutritious food for their children. These taxpayers are being asked to go into this kind of venture, but that is not what worries me most: what does worry me most is the last line of this paragraph which outlines the purpose of the proposed act as follows:

—to carry out research and development projects in relation to hydrocarbons and other fuels—

I am happy with that because, as I have said, that should take place. But it continues:

—and to engage in exploration for, and the production, distribution, refining and marketing of, fuels.

This is the crux of the matter. As far as energy, petroleum resources, fossil fuels and minerals are concerned, this government has gone all the way. Private enterprise has run its course, because the government can go out, run the corner service station and make the final contract with the customer, if we pass this bill.

In this country we are rushing toward socialism and communism faster than the communist countries are in competing to enter the enterprise and incentive systems. We are heading in a direction that is opposite to the most popular one in the world today. What worries me is that private enterprise is being made to pay taxes to provide various governments in this country with sufficient funds to be transferred to other provinces. These funds are being channelled into businesses which will compete with those which generated the funds in the first place. The transfer payments which are made from the western provinces, Ontario and others are channelled into these giant, non-profit organizations.

I had an experience the other day in the province of British Columbia which of course has been a socialist province for the last three years. I travel a lot and have to eat in restaurants and I worry a bit about reports I read regarding bad hamburger meat, and so on. As a precaution, I take a little medicine once in a while to offset this. The medicine I like is made by Seagram's. I walked into one of the people's stores in British Columbia, the government liquor store, and asked for a bottle of my favourite brand.

The clerk told me I could not have a bottle of that brand because it was hot. I am a little naive about these things, as I suppose all of us are, and I told him there was really nothing wrong with hot whisky as long as you had a twist of lemon and a little water with it. I told him I would buy a bottle anyway, whether it was hot or not. He explained to me that it was not the heat of the whisky that bothered him, but the fact that the people in the distillery were involved in a squabble over the equity of profit transfer in the company. Apparently the employees in the government liquor store had decided to take the side of the distillery employees and they would not sell any more of that distillery's products, so there would be no more profits and all the problems would be solved.

I cannot view this as anything but an intervention by government in a labour dispute. These employees have entered this dispute by deciding that the employees of the distillery were right and that the distillery was not treating its employees properly, and as a result will not sell any more of its products. I can see this happening in other areas where the government is involved in business. It will be much easier for the government to solve some of the labour disputes that may arise in the future. Let us consider how some of these Crown corporations are making out with their labour problems, particularly those corporations we expect to provide essential public services. Let us take the Post Office as an example. We do not have to point out the performance of the Post Office in the last few years or at this particular time.

Let us also consider transportation facilities and the grain handlers on the west coast. The last time we talked about settling a strike on the west coast, the government took sides. Socialist governments in particular always take the side of labour in settling these disputes. At that time the government imposed a settlement on the grain companies on the west coast with which they found it hard to live. It was found that many of the employees who were members of the Public Service Alliance, those at the port of Vancouver but more particularly at the port of Prince Rupert, were getting about 25 per cent less than people working for private companies.

At the time we all warned the minister that unless we found a solution to the problem that was facing government employees on the west coast, the settlement of the strike at that time would only be a partial solution. We were right, and we are experiencing another strike on the west coast. Incidentally, there are six more unions to commence labour negotiations within the next six months to a year. If we achieve a settlement of the strike by the grain handlers and the Public Service Alliance on the west coast, it will again only be a partial settlement. Other disputes will undoubtedly crop up. In Prince Rupert we have grain handlers who are doing the same kind of job that is being done by the people in Vancouver. We have grain inspectors at both ports, all of whom are earning much less than people employed by private enterprise.

● (1640)

Mr. O'Connell: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Penner): Order, please. The Chair is not in a position to recognize the hon. member because he is not rising from his own seat.

Mr. Oberle: Mr. Speaker, I will answer the hon. member if he will go to his own seat. I have no hesitation to enter a debate with him. I did not see any members across the aisle indicate a desire to enter the debate. Obviously, they are quite happy with the trend established by this government. This debate will continue for a long time and they will have an opportunity to speak. The after effects of this proposed company will be felt for an even longer time, so now is the time for them to enter the debate.

After I sit down I suppose the Speaker will gladly recognize any gentleman over there who wishes to make his views known. In the meantime, hon. gentlemen over there should listen to what people on this side of the House have to say, because they might learn something. In a few years from now the time will come when this mess will have to be cleaned up. Some day someone will have to face the situation, and I predict it will not be very long from now. Some day someone will have to solve the problem of this large corporation which will be exerting unfair pressure on the economy of our country.

A solution must be found to the problems of industrial and labour unrest in our country. The problems will be so severe in the next years that those fellows over there will have many opportunities to make their views known. The problem, of course, is not one-sided. The large corporations are exerting great pressure on the economy of our country. It is for that reason I believe parliament at the present time would be much better served if the government had brought before us, rather than the Petro-Can legislation, the combines legislation which would give us an opportunity to place some restrictions on the big combines, the large corporations which are exerting great pressure on many individuals and small businesses in our country.

Recently I became aware of one of these situations. An oil company in Canada has established a rental formula for its franchise holders. I suppose it is because of similar action that the government feels compelled to take over the activities of these companies and run them on behalf of the Canadian people. The fact is, of course, that the government's purpose is to take over private enterprise by regulation and to limit the powers that are being exerted by these pressure groups on the people of Canada. Of course, if that should happen and the government stayed out of everything else, the people of Canada would have the opportunity to limit the powers of the government. However, my fear and the fear of most of my colleagues is that by the time the government explores for petroleum resources, distributes petroleum resources and has complete control over all the energy in this country and everything else, the people of Canada will have lost control over the government and an election will be meaningless.

Every day there are indications of graft, price fixing and many kinds of charges. This is a serious situation. It is a direct result of government being involved in business and meddling in private enterprise. If this situation continues, the people of our country will lose control. The people to my left in the New Democratic Party always have been very outspoken about some of these large corporations. It should be interesting to them to know that there are in our party people who have also expressed reservations about some of the freedoms and actions these corporations have enjoyed.

[The Acting Speaker (Mr. Penner).]

Perhaps I might go back to the case involving the oil company which I mentioned earlier. It brought out a rental formula under which it will be charging rent to the service station operators throughout the country on the basis of 16 per cent of the gross profit. The gross profit is the margin between the cost of the sale and the purchase price of the merchandise. When it comes to the sale of labour, there is a gross margin and the oil company considers all labour at gross margin. I have taken up this matter with the oil company and have said it is no better than the federal government which charges a tax on the royalties they pay to the provinces. This, in fact, is the case because the company is charging its own franchise holders a tax and rent on money they do not even earn because it is paid out to people they hire.

I am attempting to illustrate that it is this government's responsibility to regulate the conduct of large corporations and large and small businesses. If the government did this, it would receive the support of the opposition party when it brings in its combines legislation containing regulatory measures to control the conduct of people who exert undue pressure on Canadians. I refer not only to the large businesses and corporations but also to the unions and other groups within our society.

Surely, however, it is not the role of the government to completely regulate and control private enterprise in these business matters, because governments are not geared to manage businesses. As I look around this House, I see that most of my colleagues are lawyers and some are doctors. I have dealt with professional people in private life, and whenever I have run into a poor businessman he has been a lawyer or a doctor. With all respect to my colleagues, I might say that when I become involved in difficulty in business I might hire a lawyer to bail me out, but I surely would not have him run my business. In fact, I even ask my accountants—who tell me all the mistakes I have made—if they are so smart, why are they not rich?

It is a fact that these people have grown up through the professions, but with all respect to them I say that when elected to parliament, if they would concentrate on the purpose for which government is set up this institution would be a better place. If the government enters business, these professional people do not have a clue. This is well demonstrated if we analyse the financial statements of Air Canada, the CNR, CMHC, the Post Office and the CBC. I could mention 120 more. They do not have a clue, and if it were not for that barrel without a bottom they would all be bankrupt.

● (1650)

As we do away with incentives, with responsible conduct and with the work ethic, as we shy away from the responsibility of balancing books at the end of the month, Canadian taxpayers will suffer. There will be the day when in front of a wicket on which it says "Pay" there will be no line-up, and in front of the wicket on which it says "Hand-outs" there will be a long line-up—except for the fact that the barrel will run dry some day. Signs of the difficulties which this government will be experiencing in carrying out its social contract are already evident

throughout the country in the tightening up of unemployment insurance benefits and the reduction in hand-outs, because as we confiscate and take over private business we will be denying ourselves the benefits of the revenue from the taxes that businesses have traditionally paid.

I am disappointed and concerned about the fact that members of only one party in the House today have expressed their views on some of these matters. The incorporation of Petro-Can is an attack on the foundation of our system. It is a departure from everything on which this country has been built, and it is disappointing to me that so few people have expressed this fact today and shown their concern. What we are doing today will be with us for a long time to come; the effects will be felt for a long time, because once the damage is done it is very hard—in most cases impossible—to undo it.

Petro-Can will not be able to exploit our energy reserves without the help of private enterprise. It will not be able to distribute energy as efficiently as private enterprise, and it will most certainly not be able to market the products as well as private enterprise. Of course, Canadians will suffer because the climate that will be created with the incorporation of this company will motivate private enterprise to look to other areas of the world in which to carry on their activities. The loss will be felt by Canadian taxpayers in particular.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, I am very pleased to take up the challenge of the previous speaker and to offer a few comments in support of this bill. I feel very strongly about it and I want to start out by saying that I congratulate the minister. This parliament is fortunate to have a minister of his capabilities and courage. This is probably one of the most difficult portfolios because of the changing world scene, and I think it is one that has been handled most capably by the minister for the past two years.

Some hon. Members: Hear, hear!

Mr. Milne: I want to personally endorse the establishment of Petro-Can. The minister knows I support it strongly. Shortly after the Christmas recess I held a number of town hall meetings in my riding and my constituents from Peel-Dufferin-Simcoe told me that the next time I come back to town hall meetings I should bring them the bill that establishes Petro-Can. I am glad to be contributing toward that objective.

Parliament must do everything in its power to make Canada as self-sufficient as possible in both energy and food. I am pleased that we are acting on the Farm Credit Act, on the agricultural stabilization bill and on other farm legislation in the area of food production. This government has a good record in the area of energy, as is evidenced in the establishment of a one-price oil system across Canada, the establishment of the export tax, the re-evaluation of our capability to export gas and oil, the acceleration of natural gas exploration and the way in which the Mackenzie Valley pipeline question is being handled.

Also, I am a very strong supporter of the Syncrude involvement, of Panarctic, and so on, particularly in the area of electrical energy through CANDU technology. But what we really need to do is add substantially to the entire energy picture in Canada at present through the establishment of Petro-Can or a government agency which could enter into a joint venture with industry and involve itself in the technology and the negotiating of energy contracts on behalf of Canadians.

To my knowledge, not many issues have come before parliament which have separated political philosophies as much as most of our energy debates, this one in particular. Members of the official opposition have been almost unanimous in saying that we should leave the energy industry entirely alone, give the companies every tax consideration and everything they ask for, and allow industry to operate virtually free of any guidelines. The NDP have argued the case for the nationalization of much of the industry. I think that the correct position is the one taken by the minister and this party, to issue strong guidelines and policies for the industry for the benefit of all Canadians, to establish a tax structure that is fair to the petroleum industry as well as to other industries that are taxed, and which is also fair to all Canadians and, now, with the help of Petro-Can, to enter into joint ventures with the petroleum industry.

I was interested to hear the speech of the critic of the official opposition. It is an interesting fact that since his speech he has not been in the House to hear the rest of the debate. That shows how interested he really is in this entire matter.

Mr. McKinley: That is not true.

Mr. Milne: The point of view expressed by him was that there was really no need for government involvement, and that the petroleum industry should be left free to operate in the way it wants; that energy should be left entirely to private enterprise. Surely his party must be aware of the majority of public opinion in this regard. Most people to whom we have talked say they want very close control over the development of our resources in the future and over our petroleum industry.

Back in June of last year I attended a meeting of the Committee for an Independent Canada at which a resolution was passed by a majority vote to nationalize one of the major multinational petroleum companies. This is an organization made up of people from all political parties, people who are really concerned about the future of this country and who feel strongly about it. I would not have supported that resolution, but I consider it to be a strong expression of opinion of a large segment of the Canadian population. I think we can really say that when the best interests of the multinational petroleum companies have coincided with Canada's best interests, they have done a good job. However, when they have not coincided I must ask whether it has been in Canada's best interests.

The basic objective of the whole equation is an adequate, secure supply of reasonably-priced energy for all Canadians. We want to be very careful in evaluating arguments put forth by members on the opposite side who say that private enterprise can do it completely on their own and do it better. I think it would make sense to multinational petroleum companies certainly to go where the best deal is, where they can make the best profit. I ask members of the House whether they really think that

Canada should be involved in some kind of auction with other countries to see which country can give the best tax structure and the biggest incentives to oil companies, because if we enter into that situation all we will do is ensure artificially high returns to those companies and we will certainly not be acting in the best interests of the people whom we represent.

Also, if we are to accept the arguments put forward by the opposition, it could well be that in moving the Canadian price to the world price we would find that Canadians would be paying a higher price for their own resource than Americans, for the same energy. It would be paradoxical for us, as the exporter of oil to the United States, to be paying more for our domestic oil than would be the case with the people to whom we are exporting it.

● (1700)

The amounts we are talking about are not small, because when we were considering in committee the question of the involvement of the government in Syncrude—I think I am quoting the figures correctly—we were told that the expected world price of oil will probably be about $13.50 per barrel by 1978, around $15 by 1984, and perhaps as high as $30 by the year 2000. Therefore, if we are talking about leaving it entirely to the discretion of the industry and allowing oil to work its way up to the world price, that is the kind of impact there will be on Canadians and on the Canadian industrial base.

I was somewhat amazed by the point of view put forward earlier today by the hon. member for York-Simcoe (Mr. Stevens) when he was making his critique of Crown corporations. If we followed his point of view we would have a wonderful country for those people surrounded by the golden horseshoe, where there is much prosperity. But I ask him, what about equal opportunity for all Canadians; and in expressing that point of view does he really care about those who do not have the opportunities of Canadians who live in areas of prosperity?

Canadians should be very proud of the role Crown corporations have played in the development of this country. The efficiency and profitability of a Crown corporation versus a private concern could be argued, but do not forget that the Crown corporation, essentially, is established in the majority of cases to benefit the whole of Canada and to operate in areas where it is not profitable for private companies to do so, or to do so at a rate which people in those areas can afford. I refer to the excellent job done by the CNR, Air Canada, and other Crown corporations.

If the point of view expressed earlier today had been followed in the past we would not now have the Atomic Energy Commission of Canada. In terms of the entire energy question which we are considering, I think we would have very real concern about the future if it were not for the excellent work of that commission. Outstanding people with leadership qualities have taken a strong stand on the whole question, and today under the commission's licence we have some of the best technology anywhere in the world with regard to energy. I hope this will be the role Petro-Canada will play.

I disagreed strongly with the hon. member for Don Valley (Mr. Gillies) who said the other evening that we should just re-fund Panarctic and let it fool around in a small area of the far north. The purpose of Petro-Canada is to be a major factor in the petroleum industry within Canada, and in doing so to be staffed with strong leadership people who will work for the benefit of all the people we are trying to help.

I would like to say a word about the position put forward by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) in terms of our involvement in Syncrude. He said the government should have taken over total control of Syncrude and moved quickly to nationalize a large corporation such as Exxon. In reply to that, I think there is only so much money the government has at its disposal and it is a question of where to spend it in order to get the most leverage. If those two projects were undertaken on the basis put forward by the New Democratic Party, then what financial strength would we have in the future to meet the next energy situation which comes along? I think we want to participate one way or another in a large number of projects on a joint venture basis, rather than invest totally in one or two and then be unable to participate in the rest.

As I visualize Petro-Can, I take issue with much of the viewpoint put forward on the opposite side whereby Petro-Can is being painted as an organization which will muscle out the present industry; that it will be the biggest competitor, and so on. Surely the basic role of Petro-Can will be in the area of joint venture, where it is deemed in the public interest that certain developments should take place and at a certain rate. That would be where Petro-Can would be involved, and presumably on most occasions involved on a joint venture basis rather than as a basic competitor of any of the individual companies.

I think there are some pretty strong precedents set by governments not only in this country but other countries—certainly by provincial governments—for government having a strong role in this area. After all, when the United States was experiencing real difficulty under President Roosevelt, the way out of that difficulty was to establish the Tennessee Valley Authority, which I think most members of this House would agree is a very strong economic development tool.

Nearly all the provincial governments, regardless of their political faith, have moved to set up provincial commissions for hydroelectric power. They have done so because they are concerned about equal opportunity for all the people within the province and they are concerned about having power at the lowest possible cost upon which to build an industrial base.

We are talking about the tremendously escalating cost of energy in the future; we are talking about oil which may cost $30 a barrel by the year 2000. Because of this, if ever there was a time for the government to move for protection against that eventuality, to establish a strong Canadian base in the petroleum industry and to have some influence in that area, the time is certainly now.

I would think that one of the very strong points—and hon. members should realize this—for Petro-Can is in terms of holding the licence for technology. Whoever controls technology really controls the game, and if Petro-Can has enough technology under its licence it may very well be possible to join people not even associated with the

petroleum industry in some development aspects because Petro-Can can contribute the technology and the other concerns can perhaps contribute the majority of the financing.

I would think that through Petro-Can the government would want to participate where and when necessary, and by having a large amount of technology under its licence it would be possible for Petro-Can to get a great deal of leverage for a small amount of investment. I hope Petro-Can will move very quickly to assemble a group of highly qualified people. We are operating in a very difficult industry, one which requires extremely competent people, and I think it is not easy to have this expertise without being actively involved in the field. By having these people working for Petro-Can the government will have a much tighter grip on the petroleum industry and a better understanding of it.

I hope, also, that Petro-Can, along with the government, will be able to take a very broad look at the entire energy situation. I think one of the major problems here is that projects are going forward when they should, and perhaps there is the problem of too many projects going ahead at the same time. As the hon. member from Fort William has mentioned on a number of occasions, the real necessity if that these projects be staged. I think this would require, under Petro-Can, motivating some and perhaps not participating in others, so that we have a good input in terms of how the projects are coming on stream.

As the hon. member for Wellington (Mr. Maine) said in his speech last night, there is very grave concern about the absence of research under Canadian auspices carried out by the petroleum industry. That should be a major role for Petro-Can. If research is totally foreign-controlled, I do not think we will have the leverage we should.

● (1710)

I want to make a few comments in taking up the challenge of hon. members opposite that government members are not speaking in support of this bill. Of all the bills we will be introducing in the initial part of this thirtieth parliament, Madam Speaker, I think this is one of the most important. I should like to ask hon. members opposite where some of their own members from Ontario and the maritimes stand on this bill. I have not seen many of them stand up and oppose Petro-Can in the way that the official lobbyists from Calgary have been doing. I should like to see members from Ontario and the maritimes stand up and be counted so that their constituents can evaluate how they feel about Petro-Can.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) on a point of order.

Mr. Alkenbrack: Madam Speaker, my hon. friend asked if there are any members from Ontario who will stand up against this bill. I am one, and I expect to speak against it and vote against it if I have the opportunity.

Mr. Cullen: Let's vote.

Mr. Milne: Madam Speaker, I can assure the hon. member that we are prepared to vote on this issue at any point. I conclude by saying that I think Petro-Can is vitally important. I think the relationship that the government will have with the petroleum industry through Petro-Can will be a healthy one and in the best interests of all Canadians.

Mr. J. H. Horner (Crowfoot): Madam Speaker, I listened to the hon. member for Peel-Dufferin-Simcoe (Mr. Milne) very closely because I wanted to know why he felt the bill was an important piece of legislation. He talked about the government having control over the oil industry and over energy. Certainly, the government has demonstrated its control over the oil industry and energy without having a national oil company. The hon. member talked about Petro-Can having to put together a team of technological experts who could entice money from the private sector. He said that he hoped Petro-Can would gather such people around it, and gave a long, rambling dissertation but failed to point out any need whatsoever for the bill. That is the only conclusion I can come to after listening to him.

The history of nationalized oil companies is of great interest. The British government established British Petroleum and took 50 per cent ownership to assure an oil supply for its navy. At that time it was not thought there was any oil in Great Britain and they wanted a company of their own to explore in the Middle East and off their shores. Aquatane was formed for similar reasons by the French government, to explore off their shores. Most national oil companies that have had any success have been formed to do the exploration outside the boundaries of their country. This government, however, is setting up a national oil company to do exploration and development with, I suppose, a chain of refineries and selling mechanisms throughout Canada, eventually. I suppose the exploration is to be done mainly within Canada, although that point has not been clarified.

An interesting argument has taken place, regarding oil and energy, in this House and across the country in the last couple of years. Canada has never had a huge amount of proven reserves in relation to total world supply. Many people think that Alberta is rich in oil and that Canada should have enough oil for years and years to come. Without taking the tar sands into consideration, the known reserves of conventional oil in Canada are very small indeed in relation to total world supply and world needs. What enticed international and Canadian companies to explore in Alberta in the last number of years was the stability of this country's government and the manner in which exploration units, Canadian or otherwise, could operate due to the stability of the economic climate. They felt their investment was safer here than in the Middle East, Indonesia, Mexico, South America or some other places where there was greater known potential.

In the last four years, however, the Liberal government has pretty well destroyed that stable economic climate for the oil industry. It is no wonder that we see consternation amongst Canadian and international oil companies and the international finance which has to support these companies in exploration. They are now somewhat reluctant to invest in exploration in Canada. Why, and how, did this come about, and what are our reserves?

A great argument developed in Canada in recent years about Alberta's known reserves and whether they

belonged to Canada or to Alberta. In my opinion that question was needless: the reserves belong to Canada. The Fathers of Confederation stated quite clearly that our natural resources can best be looked after by the government closest to the resource. By "looked after" I mean that the government closest to the resource can best gauge the time for development and the quantity to be developed. For the services that the developing government must provide, it could and should be expected to take a royalty.

That was really what the Fathers of Confederation said, and I think it is the way most Canadians feel today. The resources belong to Canada and they are to be developed and managed by the government closest to the resource, whether it be coal in Cape Breton, coal in British Columbia or uranium in Ontario. It is a resource to be developed, the time for its development and the quantity to be developed is to be determined by the government closest to it, and a royalty charge for the facilities necessary for development is to be charged as an expense to the resource development company.

In his budget, the Minister of Finance (Mr. Turner) changed all that and stated that the royalty charged by the province will no longer be allowed as an expense to the resource development company. That destroyed a little bit of the economic climate that used to exist in Canada. Prior to that the OPEC nations, acting as a cartel, forced up the world price of oil. What did the federal government do? It must have known that oil exploration is a costly business, that oil which is easiest to find is found first and that which is harder to develop comes on stream at a later stage of the process. It is logical to assume that oil is still to be found in this country but that its development will be a costly process. Responding to the move of the OPEC nations, the government put a ceiling on oil prices in this country. Prices went from $1.19 per barrel to $4, and then to $6.50. After the next first ministers' meeting which is to be on April 1, oil prices may or may not go up again.

● (1720)

If the minister had the best interests of Canada at heart, he ought to have said that in order to encourage stability in the oil industry Canadian oil sold domestically would sell for less than the international price, but that its price would be the equivalent of 50 per cent, 75 per cent, or what you will, of the international price. At least the oil industry in Canada should have known what to expect. Prices could have adjusted automatically. As it is, Canadian and foreign-owned oil companies are at the mercy of the government. Our vital resources should not be administered in such an erratic manner.

Perhaps the government could afford to pursue its present course if our oil supplies were ample; but they are not ample. We are not possessed of ample crude oil reserves—let me put it that way. We have destroyed the confidence of the industry and harmed our chances for being self-sufficient in oil. The Minister of Energy, Mines and Resources (Mr. Macdonald) said, according to an article in the Toronto *Star* of February 20, that we shall need to spend $100 billion to make Canada self-sufficient in oil by the year 2000. Yet he has done his best to chase exploration money from this country as quickly as possible. I am not talking about multinational oil companies; I am talking about Canadian oil companies which have

[Mr. Horner.]

taken their money out of this country: they are looking for oil and gas in the United States and in the North Sea.

The actions of the government, particularly of the Minister of Finance and the Minister of Energy, Mines and Resources, have encouraged Canadian money to leave this country; and one of those ministers had the gall to say that we shall need to spend $100 billion on energy if this country is to be self-sufficient in energy by the year 2000. The Minister of Energy, Mines and Resources made several mistakes. In April, 1970, he disallowed royalties in connection with exploration north of the sixtieth parallel. All kinds of oil companies which have staked out leases in our northland do not know how much royalty the federal government will want if and when oil for which they are exploring comes on stream. Government policy deliberately forced many companies to abandon exploration holes they had drilled north of the sixtieth parallel. What is the result? By 1977 this country will not produce enough gas to supply Ontario, Montreal and parts of the United States. By 1978 we shall begin cutting down on oil exports as we shall not have enough oil to meet our own requirements. The National Energy Board said that by 1982 we shall become a net importer of oil.

There is no need for Canada to be in this position. The government is responsible. Our largest known reserves of oil are in the tar sands. What did the government and the minister do that was wrong in connection with the tar sands?

Mr. Lang: Nothing.

Mr. Horner: I am glad to note someone is listening.

Mr. Lang: Glad and surprised.

Mr. Horner: Let me list four ways in which the government was wrong. First, it said that the price of tar sands oil would be frozen or controlled. You cannot treat tar sands oil in the way you treat conventional oil. It is not the same; it needs costly machinery for extraction and the extraction process is work-intensive. Common sense should tell you that when you embark on a project which will take many man-hours to complete and which requires large quantities of expensive machinery, the end price, given the inflationary conditions of the past two years, will go up. That is exactly what happens. This holds true if you are developing a conventional oil well or tar sands oil. The government decided to freeze the price of conventional oil. That was a political decision. It should have said that tar sands oil will be sold at the world price. It did not say this even though it knew that we were living in inflationary times and that the project would need a great deal of expensive machinery. This omission was its first mistake.

Its second mistake was this: it did not say that the Syncrude ground rules would apply to every company seeking to develop the tar sands. The government had to include the Great Canadian Oil Sands company in the Syncrude-type guidelines; the company was already in operation and the government had no choice. The government made special royalty provisions for Syncrude, provisions which it did not extend to other parties which might seek to develop the tar sands.

The National Energy Board said that a new tar sands project should come on stream every two years. Home Oil, a Canadian oil company a majority shareholder of which is Consumers' Gas of Toronto, asked the government for concessions similar to those given to Syncrude. The government refused but said it would work out a deal with the company. You cannot expect companies to compete with one another but not work under the same ground rules. The government's mistake was in not laying down rules which would apply to every company seeking to develop the tar sands. The same rules should apply to royalties and tax limits. Rules applying in the same way to all the companies would greatly have enhanced the prospects for the future development of the tar sands.

● (1730)

The next mistake which was made in connection with the tar sands project applied particularly to Syncrude. The government should have said, "We shall allow a company which comes in to develop an oil extraction plant in the tar sands to export a percentage of that oil." Why? It was because we needed foreign money for the development of these tar sands in our own interest. The minister might have said to Atlantic Richfield, "For every two barrels you get out of the tar sands you will be able to export one." In those circumstances perhaps Atlantic Richfield might have been able to raise the necessary capital in the United States and elsewhere. Instead, the minister closed off export opportunities.

The Japanese for some time have been interested in the Canadian tar sands but we have effectively discouraged them from coming in and taking part in this venture. The Japanese are dependent on imports to meet all their energy needs; they take about 17 per cent of total OPEC exports so they are obviously very interested in access to a source of energy. The Japanese would gladly invest in the tar sands project provided some formula were reached which warranted the use of their money to benefit Canada and Canadians as well as their own particular interest. The government has only itself to blame when it finds Canada likely to run short of oil in the relatively near future.

One only has to look at any geological study of the region to see where the best potential for future oil discoveries lies. A while ago I mentioned the regulations which were discontinued on April 10 concerning future exploration north of the 60th parallel. Mr. Speaker, that area is very important because it is still solely under the jurisdiction of the federal government. Most geologists agree, on the basis of seismic studies, that the delta area of the Mackenzie River and the Beaufort Sea, where you find the tertiary land formation, are the areas in which most of the possibilities lie. I might point out that something like 70 per cent of the world supply is found in this type of land formation. The Venezuelan oil fields and the recent find in Mexico come to mind in this connection. The only Canadian region in which such a formation occurs is in the Arctic.

The Prudhoe Bay find most likely extends right out into the Beaufort Sea and includes the Mackenzie River delta. Yet we have discouraged exploration there. It is true that some companies are still exploring in the territory, but they are doing so only in order to hold on to their leases. Will Petro-Canada or another government-controlled company be able to do any better than Panarctic which is already operating in the Arctic? That is the question which the hon. member for Peel-Dufferin-Simcoe should really try to answer when he talks to his constituents, the Liberals he meets in the town halls.

As I say, our best potential is in the high Arctic, the delta of the Mackenzie River, and the Beaufort Sea. Panarctic is already up there and it is 45 per cent owned by the government of Canada. This 45 per cent gives the federal government control over the entire operation of Panarctic as well as the power to veto any proposed operation, or any change of the mix of shareholders. Thus, Canada's best potential lies in an area over which the federal government already has control, and in which a government controlled consortium is already operating. I fail to see why another petroleum corporation should be needed in these circumstances.

I do not believe any major oil company has the slightest fear of competing with a government owned oil company. I would certainly regard a private company as being poor operators if they feared competition from a government corporation. It is not fear of competition which arises here; it is fear of an unfair ball game. In the last four years, particularly in the last two years, we have seen continual changes in the regulations governing exploration for oil in Canada.

The government is now attempting to argue that the creation of a public petroleum corporation will instill greater confidence into the oil industry. It will do nothing of the kind. We shall not be able to entice oil companies to resume exploration in Canada on the previous scale, or induce them to increase the pace of exploration if we set up a Canadian exploration company to engage in operations of its own in this field. The atmosphere the government created, an atmosphere of distrust, will further encourage the companies to stay in the North Sea, or the United States, or somewhere else.

I note that the bill makes provision for a capital structure of around $500 million, which is a mere drop in the bucket when measured against the $100 billion the minister said it would cost to ensure that Canada is self-sufficient in energy supplies between now and the year 2,000. Rather than create uncertainty and concentration among the exploration companies we should now be moving to create a better economic climate to encourage exploration in Canada.

● (1740)

We are more knowledgeable than we were at the time the world oil crisis first started and the OPEC nations realized they had a monopoly and could set prices. The experts said that the OPEC nations would lower their price for oil to about half of what the price increased to eventually. The price quickly shot up to $12 or $14 a barrel, but the experts said that by the fall of 1974 the OPEC nations would back off and would sell oil at somewhere in the neighbourhood of $6 a barrel.

The OPEC nations held meeting after meeting, and then told the world that one of their key problems was their desire to protect their endowment over the long run against inflation and currency devaluation. They have

said that they will hold the present world price of oil if the oil importing nations will give them some assurance that their currencies will not be further devalued. So we must realize that the OPEC nations have no intention of lowering the world price of oil, and we should adjust our economy accordingly.

Is this bill to set up Petro-Canada and to give it authority to enter the hydrocarbons industry really necessary? Under Polysar the petrochemical industry has been expanded, so this bill is not required from that aspect. There is no question that Canada will be in need of money to supply Canadians with their energy requirements. Right now in the Arctic, feasibility and environmental studies are taking place before the Berger commission which is inquiring into the possibility of building a Mackenzie valley gas pipe line. So far as the all Canadian route is concerned, commonly known as the maple leaf route, the Foothills Gas Company estimates the project will cost Canadians $4 billion.

An hon. Member: Terrible!

An hon. Member: Shame!

Mr. Horner: I hear hon. members saying terrible and shame, but I do not think they are taking this debate very seriously. It is their government that has contributed to this increased cost by allowing inflation to run rampant.

Is this the best way of spending $500 million to ensure that Canadians will have ample energy supplies in the years ahead? I do not think it is. I think it will create greater fears in regard to oil exploration. It will cause more private capital to leave Canada and not return, because investors will be afraid of the ground rules the government is laying down.

From time to time we see greater demand for revenues from the oil and gas industry. Off the east coast near Sable Island there is estimated to be about one trillion cubic feet of gas. The oil companies are not interested in extracting this gas because the small quantity, and the oil royalties demanded by the provinces make it uneconomic. Further possibilities of exploration for gas lie in the north off Labrador, and these are very good indeed. But here again the government has been negligent in working out agreements with the province of Newfoundland as to which government has authority off the coast of Labrador.

There is much the government can do to create a better climate for energy exploration, and this would go a long way toward bringing more money back from the private sector to the energy exploration area. This bill will only discourage such capital flow.

It is estimated that in the Mackenzie River delta there are eight to 12 trillion cubic feet of gas reserves at the present time. It is estimated that Panarctic has found about 12 trillion cubic feet of gas in what is commonly called the high Arctic. It is believed that if a gas pipe line could be built down the Mackenzie valley, then further exploration would take place and greater reserves would be revealed. In fact optimistic estimates of the possible reserves in the high Arctic are in the neighbourhood of 150 trillion cubic feet.

With all this gas, Madam Speaker, one wonders whether we will be deficient in the supply of gas by 1977 or 1978. But we have witnessed the short-sighted policies of this government, and this Petro-Can bill is just one more. It may satisfy the political aspirations of some of the minister's backbenchers, but it will not satisfy the need of all Canadians across Canada for sufficient supplies of energy to heat their homes, their factories, and to supply the furnaces in steel and other industries.

It is often said that there is a lot of natural gas in Alberta. We are using our natural gas at the rate of roughly 2.3 trillion cubic feet a year. Alberta has reserves in the neighbourhood of 70 trillion cubic feet, though these have yet to reach the marketable state. Some socialists believe that the known gas reserves in what might be called the Suffield area of southeastern Alberta will bail us out of any short term difficulties in which we find ourselves. There are about three trillion cubic feet of gas reserves in the Suffield area, less than one year's supply. So if anyone thinks that rapid drilling for this gas will immediately alleviate the shortfall that we see ahead of us in 1977 and 1978, they are just kidding themselves and nobody else.

In addition there is in this area what is commonly referred to as the British block. There is an experimental research area there of huge dimensions where, from time to time, the army explodes some dynamite, blows a hole in the ground, and determines how much dynamite is needed to penetrate the earth to a certain distance—it is about that simple. They test-fire a few rockets in that area as well, along with small arms artillery. I point this out because this testing takes place under contract with the British government. There are no publicly known negotiations taking place to end this sort of exploration in that area. You cannot go out and explore for natural gas with that kind of experimental testing of firearms, dynamite, and the like going on. Everyone knows the fire potential of a gas and oil exploration area.

● (1750)

Somewhere down the line we have to make a decision in respect of this $100 billion energy bill and how best it should be met so that we are not left with a deficiency of energy. Part of that money should go toward encouraging further development of our most potential areas such as the Mackenzie River delta and the Beaufort Sea. The fastest and easiest way to encourage more development there is to move forward in an orderly manner with the development of the Mackenzie River delta area.

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Madam Speaker, I consider it a privilege to take part in this debate on such an important matter as Bill C-8 dealing with this country's energy economy.

Today's Montreal *Gazette* carries an article under the heading "As Oil Era Ends—What Lies Ahead?" It refers to the latest report of the Science Council of Canada. I suggest it is a very informative article. The council suggested some time ago that we must re-orient ourselves from a consumer society to a conserver society. The council implies that as we approach the end of the oil era we must put more effort into learning the techniques for using the energy of the sun, the tides, energy from hydro-

gen, from waste, and from biological and many other sources. The minister and the government are a bit late with Bill C-8, and they are 20 years too late with PetroCan.

It was very interesting to hear the hon. member for Peel-Dufferin-Simcoe (Mr. Milne) ask a few minutes ago if there were any PC members in the opposition who were against this bill. I am one member who is against this bill because it will not increase our oil supplies one bit. In fact it may hamper discoveries and decrease our supplies and prospects. I am one member from Ontario who believes that, whatever our future, Ontario will be able to obtain its share of Canada's energy supplies, just as will other provinces, regions and territories. I suggest the hon. member for Peel-Dufferin-Simcoe is subverting the energy and economic interests of his riding to the Liberal party.

Several things have occurred recently outside this House that are a source of embarrassment not only to the government but to this whole body. This proposed oil company, Petro-Can, is just another government white elephant. It is another repository for Liberal patronage, defeated Liberal candidates very likely, and could even become—

Some hon. Members: Oh, oh!

Mr. Alkenbrack: I hear hon. members shouting across the way. I guess they cannot stand the truth. This could become the cause and the agent for more Liberal corruption, corruption which is so rampant and embarrassing lately, both here in Ottawa and in some of those provinces governed by Liberal governments.

The purpose of Bill C-8, if passed, is to establish a Crown owned corporation with the authority to engage in all phases of an integrated energy company operating in Canada as well as in foreign countries. The corporation can engage in all normal energy-related company activities in addition to activities which it may deem expedient for, or conducive to, the furtherance of the objects of the corporation.

Although not specifically stated in the proposed bill, the Minister of Energy, Mines and Resources (Mr. Macdonald) will run the corporation. The chairman of the board, the president and directors, and replacements as they become necessary, will be appointed by the Governor in Council, and evidently the Minister of Energy, Mines and Resources. Thus it is clear that the minister will run the whole show.

The corporation will receive initial authorized capital totalling $500 million in return for 100 common shares. The initial subscription will come from the consolidated revenue fund administered by the Minister of Finance (Mr. Turner), in other words, right from the pockets of the taxpayers. The shares of the corporation are not transferrable, so no one will be allowed to buy any stock in this company. The shares are to be held by the Minister of Finance in trust for the government; thus the government is the sole owner.

As mentioned, the powers of the corporation are extremely wide and provide for a great variety of endeavours not necessarily dealing with hydrocarbons or energy. The corporation may obtain additional money from the Crown, or it can borrow and issue debentures on the open market, guaranteed, or not, by the Crown. For the purpose of the act the corporation will be an agent of the government, and consequently any property acquired by it will be the property of the government. The corporation will be bound by all laws and natural resource conservation regulations of any province in which it operates.

The corporation may purchase the federal government interest in the PanArctic Company, under certain conditions, and all dividends payable will be paid to the Crown. However, there is no mention in the bill that the corporation is to be run as a profitable venture. There are certain provisions in the Canada Corporations Act which this corporation does not need to obey, such as those in respect of selection of directors, bylaws, books of the company, notices, etc. May I call it six o'clock, Madam Speaker.

[*Translation*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Labour): Madam Speaker, I move, seconded by the hon. member for Duvernay (Mr. Demers) that the debate be now adjourned.

The Acting Speaker (Mrs. Morin): Does the House agree?

Some hon. Members: Agreed.

[*English*]

The Acting Speaker (Mrs. Morin): It being six o'clock I do now leave the chair until eight o'clock tonight, at which time, I would remind hon. members, the House will proceed to the question of work stoppages affecting grain shipments, pursuant to Standing Order 26.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

PUBLIC SERVICE

EFFECT OF STRIKE OF GENERAL LABOUR AND TRADES GROUP ON GRAIN DELIVERIES

Mr. Deputy Speaker: Order, please. The President of the Treasury Board.

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, as you know tonight we have some problems. We have a debate scheduled in the House and a good hockey game on television. I did not want to disturb anyone's evening, so we settled the strike two minutes ago.

Some hon. Members: Hear, hear!

Mr. Chrétien: I did not want to make a joke—

Mr. Baldwin: Which one did you settle?

Mr. Chrétien: The PSAC strike has been settled. I did not want to say that before or play any games with anybody. This afternoon at two o'clock we were making good progress. I did not say anything because I did not want to disturb the chance of having a settlement. We have signed a contract for 26 months. A joint press conference is being held between the unions and the negotiator for the Treasury Board at the present time. The terms will be announced there. It is for 26 months, and I hope it is a good deal for both parties.

Some hon. Members: Hear, hear!

Mr. Chrétien: Now I do not know whether we are to have this debate or not.

Mr. Stanfield: Sure, we are going to have the debate.

Mr. Chrétien: I do not mind, but we could adjourn it.

Mr. Deputy Speaker: The hon. member for Vancouver South (Mr. Fraser) on a point of order.

Mr. Fraser: Not on a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. Could I have the attention of the House in order to put the motion? The motion moved pursuant to Standing Order 26 is as follows: Mr. Fraser, seconded by Mr. Stanfield, moves:

That this house do now adjourn.

The hon. member for Vancouver South.

Mr. Fraser: Thank you. Mr. Speaker—

Mr. Knowles (Winnipeg North Centre): On a point of order—

Mr. Deputy Speaker: Order, please. The hon. member for St. Boniface (Mr. Guay) rises on a point of order.

Mr. Guay (St. Boniface): Mr. Speaker, there are two requests I should like to make of you. The first is that you read again the motion of the hon. member to indicate the reason for the motion. I believe it is a matter concerning the strike. Now that the minister has told us the strike has been settled I would suggest his motion is not in order.

Mr. Baldwin: Nonsense.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my point of order is essentially the same as that raised by the hon. member for St. Boniface (Mr. Guay).

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I realize that technically under the terms of Standing Order 26 Your Honour has been quite correct in simply reading the motion, namely, "that this House do now adjourn," but in view of the fact that this is based on a provision of Standing Order 26 I wonder whether it would not be appropriate for you to read the terms of the request made this afternoon so that we will know why we are debating a motion to adjourn the House. It just could be that the whole matter is now a nullity.

Mr. Deputy Speaker: Both hon. members will understand that a decision was made concerning the adjournment of the House tonight for the purpose of discussing a specific matter. Of course I was hoping that the House would express its wish and make a decision concerning whether or not we should pursue this debate.

In any case I think hon. members—and I want to warn hon. members about this—might find it difficult to follow the rule of relevance because the debate is on a specific matter, which is the stoppage of the movement of grain and the operations in the western harbours. If hon. members wish to carry on the debate there is no way I can prevent them doing so. However, I wish they would indicate to me a solution to the present situation.

Mr. Baldwin: Mr. Speaker, there is no question but that the hon. member for Vancouver South (Mr. Fraser), in a very well thought out and well conceived manner, for the benefit of this House and the country brought forward a motion today dealing with a specific issue which still remains a problem in this country. It is because he did so, with the understanding of the Speaker who granted the motion, that we have seen the little tableau played out in front of us where the Prime Minister (Mr. Trudeau) sent out the President of the Treasury Board (Mr. Chrétien) with instructions to reach a settlement. He could have done that weeks ago.

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Mr. Baldwin: I suggest to Your Honour and to this House that the best thing that could happen is that the government should be subjected to the salutary discipline of listening to members of this House make speeches which will draw the problem to the attention of this House and the country. I think it is a great service that the hon. member for Vancouver South has performed for this country.

• (2010)

Mr. Lang: Mr. Speaker, first I would like to say that I think it is unfortunate that the hon. member for Peace River (Mr. Baldwin) suggested that there is only recent concern by the President of the Treasury Board (Mr. Chrétien) in connection with this matter. To the contrary, he has been extremely cognizant of the problem.

Some hon. Members: Hear, hear!

Mr. Lang: He has been extremely conscious of the problem faced in particular by the grain industry, and he has been aware of the pressure. That, of course, always makes negotiations very difficult.

I think that there is a problem in connection with the debate tonight in addition to the problem of relevance and I would like hon. members to reflect upon it. It is the fact that this strike having been settled, there is about to be a vote in connection with another matter that may be said to relate pretty directly to the question, and it might be

unfortunate if the question of ratification and negotiations in the other strike, which has effectively help up grain shipments through that period of time, were in any way influenced or prejudiced by the debate tonight.

Perhaps hon. members might consider the fact that there might be another appropriate occasion to debate at length what was originally going to be before the House. I know the feelings of hon. members opposite on this matter, and I would like to put forward two suggestions in the absence of a chance to discuss the matter among the parties. One is that we might adjourn briefly in order to have such a discussion and then return, and the other alternative is for us to have simply one round of speeches on the subject and then let the matter go. I think either of those suggestions would be in the real interest of making sure that labour matters are settled in the normal fashion without undue interference from here, and I put those two suggestions before hon. members opposite for their due consideration.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I presume the Minister of Justice (Mr. Lang) spoke on the point of order, although he seemed to be debating the matter. His Honour, Mr. Speaker, made a ruling this afternoon, but hon. members opposite seem to be thrashing around a great deal to avoid a discussion on this matter. May I point out, with all due respect, that the House has taken a position, and despite all the obstruction on the other side this position should be maintained and the debate should proceed.

Mr. Alexander: Mr. Speaker, I would like to speak on this facetious point of order that was raised by the other side.

Some hon. Members: Oh, oh!

Mr. Alexander: I think that what we are talking about here, Sir, if I have the right motion before me—I am just reading from the particulars that were submitted to your Honour this afternoon—

An hon. Member: Make the point.

Mr. Alexander: We listened to you, why don't you listen to us? What is the problem?

An hon. Member: Say something.

Mr. Alexander: Shut up for a minute and give me a chance.

Some hon. Members: Order!

Mr. Alexander: Give me a chance. I know, Mr. Speaker, that you know your duty and that you will bring to order hon. members who are ranting and raving before another hon. member has even had the opportunity to speak. The motion indicates that because of the present work stoppages—I know what those words mean—which have ended all grain shipments from Canada, this is an important matter requiring urgent consideration. In view of the intent of that motion we can not only consider the present but also look into the future.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I invite the hon. member to come to the point of order that has been raised. The question is whether or not this debate should be pursued, not the substance and the value of the motion that has been put, but its procedural acceptability. So far as the decision of the Chair is concerned, I have based my decision on Standing Order 26(13). I see no way other than the withdrawal of the motion, thus ending the debate, or to conclude the debate.

My interpretation of Standing Order 26(13) is very clear. Perhaps another hon. member can find another solution, but I do not think that there is any other way out of this situation unless it is done by unanimous consent. But there does not seem to be unanimous consent.

Mr. Alexander: Mr. Speaker, I rise on the same point of order. I am glad you came to my rescue, Sir, because you took the words right out of my mouth.

Some hon. Members: Oh, oh!

Mr. Alexander: This motion refers to the collection, movement, and loading of grain. You have made your ruling early this afternoon and I respectfully suggest that the ruling should be observed.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I should like to comment on the question of relevance. This debate which we have requested is part of the request on the part of the official opposition to get at the facts regarding the continuous stoppages in the movement of grain to markets.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Last week I asked the Minister of Justice (Mr. Lang) whether he would name a date when the contract of the foremen's union ended, and he said that he did not want to discuss it in view of the discussions which were going on at that time. I maintain that this motion which was accepted today deals with all the work stoppages which have occurred, are occurring, and will occur at the end of this month. The motion therefore is entirely relevant.

Mr. Deputy Speaker: The hon. member is debating the substance of the motion proposed by the hon. member for Vancouver South (Mr. Fraser). A point of order was raised by the Minister of Justice (Mr. Lang) regarding the procedure in this extraordinary situation in which we find ourselves. I would hope hon. members might limit their remarks to this. So far as the rule of relevance is concerned, the Chair will decide in due time. The hon. member must take into account that what we are discussing right now is whether or not this debate should proceed. There has been one point of order raised on top of another point of order, and we should hear those as quickly as possible, following which I will call on the hon. member for Vancouver South, unless someone proposes another solution.

Mr. Guay (St. Boniface): Mr. Speaker, I was the one to raise the point of order in the first place. Now I would like to say to you, Sir, that my point of order contained two questions, one of which you have not answered. I abide by

your ruling with regard to Standing Order 26, but you have not answered my other question which concerns the reading to hon. members of the notice of motion before the House, because we do not have copies of it. I am not able to get a copy of it and therefore I would like to know what the motion is. I believe I am entitled to request that it be read.

● (2020)

Mr. Deputy Speaker: Order, please. To answer the point raised by the hon. member for St. Boniface (Mr. Guay), the only motion we have before us at this time is the one moved by the hon. member for Vancouver South and seconded by the Leader of the Opposition (Mr. Stanfield), "that this House do now adjourn." The substance which was used to obtain the adjournment of the House was the argument put forward by the hon. member for Vancouver South which has defined the subject matter, but the exact motion before the House at this time is the adjournment on that subject matter. With the consent of hon. members, I would agree to read the substance of the argument which was put by the hon. member, and upon which he did obtain the leave of the House and the decision of Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there is no doubt that His Honour, Mr. Speaker, this afternoon granted this debate tonight, and he did so under the provisions of Standing Order 26, having been persuaded by the hon. member for Vancouver South (Mr. Fraser) that there was a serious and critical situation which required the attention of the House. But I draw the attention of Your Honour to Standing Order 26, paragraph (16) which reads in part as follows:

> The right to move the adjournment of the House for the above purposes is subject to the following conditions:
>
> (a) The matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration;

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I submit that this afternoon, when Mr. Speaker dealt with this matter, he recognized that there was a genuine emergency calling for immediate and urgent consideration. We are now informed that that emergency, which was the basis of this motion, namely, the strike of certain employees who come under federal government jurisdiction, has been settled.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I submit that it is not to the point for the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), for example, to say that what is involved is the whole question of strikes which may come at the end of the month. His Honour, Mr. Speaker, would not have allowed this motion this afternoon on the basis of strikes which might take place in the future. It seems to me that if my hon. friends to the right were really smart, they would be stating that their having called for this debate this afternoon was the action which induced the government to settle the strike. They should be happy to let this debate end, and I submit that, if Your Honour allows it to go ahead, in view of the changed conditions there will not only be troubles with relevancy but we will be debating a nullity. The Public Service Alliance strike has been settled.

[Mr. Guay (St. Boniface).]

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): We do not now have before us what we had this afternoon, a genuine emergency calling for an immediate and urgent consideration.

I will make one other point based on the rules, and it is to the effect that a subject like this can be dealt with only once in a session, and if we have this debate tonight and then, in a few days from now—

Mr. Horner: Oh, no, that is wrong.

Mr. Knowles (Winnipeg North Centre): Just a minute. If we have this debate tonight, and in a few days the longshoremen's strike is not settled and my hon. friends try again to move an adjournment to discuss the same situation, the movement of grain on the west coast, they will be stymied by their own action tonight.

Mr. Woolliams: Where is your farm vote?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, several times this afternoon I have taken, on a personal basis, the liberty of saying to ministers of the Crown, "For heaven's sake, get the strike settled this afternoon; then we will not need the debate".

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): They have done it, and on the point of order I submit that the situation tonight is not the same as it was this afternoon, and this debate should not now proceed.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The last remarks of the hon. gentleman were more to convince his colleagues than to convince the Chair. I invited hon. members to speak to the point of order on the procedural aspect of this problem, and nothing as yet has helped me to change my decision.

Mr. Horner: Mr. Speaker, I rise to deal with the explicit point of order raised by Your Honour and other hon. members with regard to the question before us under Standing Order 26. Naturally I am joyful that some partial settlement has been reached, and I am pleased that we on this side of the House precipitated the government's reaching that decision.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Horner: But there is one particular point I would like to deal with, which was partly acknowledged this afternoon. I am sure Your Honour was in the House on that occasion. I raised the question of the outdated grain handling facilities on the west coast of Canada.

Some hon. Members: Order, order!

Mr. Horner: I hear the cry, Mr. Speaker. Those hon. members were also in the House this afternoon, and they might have heard my remarks. I raised the question with the Minister of Transport (Mr. Marchand) about whether the Standing Committee on Transport and Communications could go out and examine those outdated handling facilities on the west coast. At that time Mr. Speaker ruled that that question was relevant to the debate tonight and could be proceeded with tonight, and he disallowed my question this afternoon. The whole purport of His Honour's ruling under Standing Order 26 was to allow us to deal with an aggravation over the failure of the product of the prairies to meet the export demand in the world, and I say to Your Honour, on the very point of order raised, that two important points can be debated tonight which still have to do with this problem: the public service strike, which was a rotating strike—

Some hon. Members: Order, order!

Mr. Deputy Speaker: Order, please. I think that we have to end this procedural debate and that a decision should be made. The hon. member for Winnipeg North Centre (Mr. Knowles) did raise a point of order with reference to Standing Order 26 (16)(a), which reads as follows:

The matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration;

I must bring to the attention of the hon. member the fact that this is defined as one of the conditions for obtaining permission to move the adjournment of the House. The House has already taken that step, and Mr. Speaker has made a decision. I invite the hon. member to look—but not to answer the Chair at this time—at paragraph (13) of Standing Order 26, and I invite him to try to find in it a way to stop the debate after it has started.

As far as the Chair is concerned, a debate has been allowed this afternoon by Mr. Speaker under the provisions of Standing Order 26. I do not see how I can prevent the debate except by unanimous consent of the House, or unless I am satisfied that the debate is completed because no hon. member wishes to speak, or unless the hon. member for Vancouver South withdraws his motion. I have not seen any of these three alternatives which could give me the opportunity to adjourn the debate at this time, so I call upon the hon. member for Vancouver South.

Some hon. Members: Hear, hear!

● (2030)

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I am very pleased to rise tonight to start this debate. In doing so I want to congratulate the President of the Treasury Board (Mr. Chrétien) for his endeavours in settling the strike.

Some hon. Members: Hear, hear!

Mr. Fraser: I also want to congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) for having played such a decisive part in bringing this happy event to fruition this evening. I do not share very much with the hon. member, but I might be forgiven some modesty, in view of the fact that people are lining up to take credit for the settlement, if I could come in somewhere toward the tail end of that line, somewhere behind the hon. member for Winnipeg North Centre.

Some hon. Members: Hear, hear!

Mr. Alexander: Don't be too modest. You are first.

Mr. Fraser: I think, too, that considerable credit for settling the strike is due to people on both negotiating teams. I am sure all members of the House would join me in congratulating them, for they have striven mightily over the last several weeks.

Some hon. Members: Hear, hear!

Mr. Fraser: The grain is not yet moving, however.

Mr. Woolliams: And Otto laughs.

Mr. Lang: Well, John is so sad.

Mr. Woolliams: He should be.

Mr. Fraser: The situation which is faced in the country is the fact—

Mr. Lang: It will be moving tomorrow.

Mr. Fraser: I wonder if the hon. Minister of Justice (Mr. Lang) would just listen for a moment. I was going to relate to the House some of the events that led up to this evening, and I would hope they concern the Minister of Justice.

Mr. Baker (Grenville-Carleton): Better speak up pretty loudly; he is rather deaf.

Mr. Fraser: On February 26, my colleague the hon. member for Marquette (Mr. Stewart) put a question to the Minister of Justice in his capacity as minister responsible for the Canadian Wheat Board. The question, at page 3600 of *Hansard*, reads:

Mr. Speaker, my question is for the Minister of Justice in his capacity as Minister of Justice in his capacity as minister responsible for the Canadian Wheat Board. In view of the fact that there are approximately 14,000 boxcars locked in the prairies because of the current public service strike and, because there are about 28 ships now waiting in Vancouver harbour with escalating demurrage charges being calculated on a daily basis, would the minister indicate to the House whether he has formulated any contingency plan for the movement of this export grain in an effort to ensure that Canada's international reputation as a grain supplier is not subject to further humiliation?

Listen to the comforting answer of the minister:

Mr. Speaker, a number of plans are being looked at, both in connection with the immediate period and also in connection with an attempt to catch up as quickly as possible when conditions return to normal.

It would seem to be appropriate tonight, Mr. Speaker, now that the Minister of Justice is in a more ebullient mood, for him to come before the House and tell us what plans he had in mind on February 26 when there were 28 ships in Vancouver harbour and 14,000 boxcars locked in the prairies. Perhaps the minister can tell us how many ships are in Vancouver harbour now. If he cannot, then there are a number of citizens in the city I come from who could inform him that there are approximately 40 ships

waiting there. If there were 14,000 boxcars locked in the prairies on February 26, there are certainly more now.

It seems to me it is incumbent upon the government to tell us exactly what is going to be done to get this grain moving and to assure the House that in the future we are not going to have a repetition of the staggering number of days lost by work stoppages that have plagued this particular harbour to date. I should like to bring to the attention of the House a telegram sent to the right hon. Prime Minister (Mr. Trudeau) today by the president of the Vancouver Grain Exporters Association, which reads:

Your office is quoted today worldwide for having stated yesterday "public interest has not yet been hurt enough to warrant government intervention". Having at heart the whole Canadian grain trade both east and west from Ottawa, we find such statement, if correctly quoted, bordering aberrance. During the crop year started August 1, 1974, grain exports ex Vancouver have been stopped by strikes during 68 work days out of 165, based on five day week less holidays, or during 41.2 per cent of straight time.

Those are facts, Mr. Speaker, and they have led to a situation where the Minister of Justice in charge of the Wheat Board is going to have to tell the House what the contingency plans are that he talked about on February 26. I want to say to the minister through you, Mr. Speaker, that it is not enough for him to take the view that because we have heard tonight that accord has been reached, problems have ended in Vancouver. The telegram to the Prime Minister from the Vancouver Grain Exporters Association continues:

Your letter of March 4 in answer to ours of February 20 arrived here on March 13.

I am sorry the Postmaster General (Mr. Mackasey) is not in the House tonight so that we might get some answers as to when that particular problem is going to be solved. The telegram continues:

Yours is a standard type answer given over and over as years go by on each strike situation. It sadly proves a lack of leadership between contracts or from strike to strike to avoid such costly occurrences.

It is legitimate to ask tonight whether the government has any contingency plans to move the grain that has piled up, and also whether the government has any idea what it is going to do to break the pattern of strikes that have stopped grain shipments on the west coast. Let us look at the statistics. We have now reached a situation where there are over 40 vessels waiting to load grain; between August 1, 1974, and today approximately 70 shipping days have been lost; Canada is 900,000 tons behind on grain shipments due to China in 1974; China is presently negotiating to buy one million tons of grain from Canada in 1975 and a portion of this is in jeopardy because of Canada's poor delivery service. That jeopardy is not going to be relieved just because, by a lot of hard work on the part of some people, the present PSAC strike seems to have been settled. Our customers are going to look at the record and say—they cannot say anything else, on the basis of experience—that Canada is not a reliable supplier.

The Minister of Justice said an extraordinary thing yesterday. He said in the House that although the Japanese are now buying grain in the United States and Australia because they could not get supplies from Vancouver, United States ports have not been without strikes. Mr. Speaker, I might remind the minister that since 1972 there has not been a strike on the west coast of the United States that has stopped grain shipments. I think the minister must concede that their record has been considerably better than ours, and at the present time they are entering into negotiations which will last until 1978. In trying to evade the facts, and to some degree, I suggest, his responsibility by saying that other countries have strikes, the minister ought to be careful what country he is talking about. No shipments of grain have been stopped on the west coast of the United States since 1972.

● (2040)

I was talking to a Canadian grain exporter who had arrived back here a day or so ago from Tokyo. He said that he had never experienced a worse attitude among the grain importers, many of whom are threatening not even to bother tendering for new orders. Our record is so appalling that customers have no confidence in our future ability to deliver. It is incumbent on the government to tell the House and country what it intends to do. On March 26 the Minister of Justice told the House of his contingency plans. He said, as recorded at page 3600 of *Hansard:*

Mr. Speaker, a number of plans are being looked at—

I suppose one of them will not be needed because of what has happened this evening. I continue quoting:

—both in connection with the immediate period and also in connection with an attempt to catch up as quickly as possible when conditions return to normal.

The minister should tell the House the extent of those plans and of what they consist. The House should not assume that because difficulties between the PSAC and Treasury Board have been partially resolved there are not serious problems at the port of Vancouver. The world's largest grain carrier is tied up waiting for a shipment of grain for Bangladesh. I assume all members know how badly that grain is needed in Bangladesh. That ship can carry 30,000 tons but only 10,000 tons have been loaded. The remainder of the cargo is tied up in boxcars and elevators. The ship has been docked for months. I was glad to hear that finally something is to be done. A Vancouver churchman said to me, "In the name of Christian decency, let us do something to get this ship loaded and on its way."

Members representing western constituencies say day after day that there are serious difficulties on the west coast and on the prairies and that our reputation in the world of commerce is suffering. Therefore, we have not been overstating the case. If any members doubt my word, let them telephone Vancouver and talk to people who have watched the harbour filling with ships and have been laid off because of this strike. The government should also tell us what it is doing with regard to its so-called consensus. What will it do in future? What is it doing in its search for consensus across this land?

Some hon. Members: Order.

Mr. Fraser: Mr. Speaker, I hear members opposite making noises.

Mr. Baker (Grenville-Carleton): Do they think that lack of government policy has nothing to do with strikes?

Mr. Fraser: I see the Minister of Justice is talking to some hon. members opposite. I do not know if he is trying to enlighten them or persuading them to make more noise. It is high time the government told this House about the consensus we hear so much about, as these strikes are taking place because of lack of consensus. Rising inflation rates have made increasing numbers of people at the lower end of the wage scale frightened, desperate and militant. They are prepared to strike because, basically they feel their security is threatened. The Minister of Finance (Mr. Turner) and the Minister of Labour (Mr. Munro) have talked about consensus, but nowhere has the government indicated in which direction it wants to go and what its objectives are. So long as the government talks but does nothing to encourage restraint, consensus will not be achieved. I am afraid the Minister of Justice will need to talk about something else.

Basically, the government has asked the working people of this country to stick their necks out and, because inflation is rampant, to give up some of their bargaining power. But the government has abdicated its responsibilities. By not laying down adequate policies, the government has eroded confidence in the country. The Minister of Labour has talked about establishing a Canada labour council. I understand that the cabinet has discussed this proposal, but the government has not said what it will do about it. Surely this House is entitled to know the steps being taken to form the proposed Canada labour council. We ought to know who will be represented on it and what the objectives of the council are to be.

In summary let me say this. The government for weeks has refused to face its responsibilities and to consider that basically what we are dealing with affects the national interest. The government has not responded to the emergency. I remind hon. members that since 1972 the government has intervened four times in grain disputes and ordered, through legislative measures, grain shipments to be resumed. On August 31, 1972, the then minister of labour said, as recorded at page 3901 of *Hansard* for that date:

—there are occasions when parliament must deal with situations, when the full resort to economic warfare by strike or lockout so impairs the ability of others to carry on their activities that it can be said to be against the national interest for the work stoppage to continue. Parliament in this case was recalled as a last resort when it was evident that the ports on the west coast would not resume operations for some weeks if normal collective bargaining procedures were allowed to take their course.

He went on to say, as recorded at page 3902:

By far and away the hardest hit at this time is the grain economy on its external markets. This important sector of the economy is presently in the greatest jeopardy should the ports remain closed. British Columbia, too, has an export-oriented economy—

If it was in the national interest in 1972, just before the election, to pass special legislation for keeping the grain moving, why has it not been in the national interest in the last several weeks to take action which will keep grain moving? I ask all hon. members present, many of whom were also in the House in August, 1973, to remember the arguments put forward by the present Minister of Labour. He said at that time that conditions in the country were affecting the national interest and that we had to pass legislation. In 1974, during the election campaign, relevant sections of the Canada Labour Code had to be invoked to make sure that the grain handlers did not go on strike. That action was in the national interest. In October, 1974, parliament legislated the grain handlers back to work. It was said that that action was in the national interest as we could not afford to see grain movement stopped. In the present instance the government has for weeks refused to act even though the scales, to use the Prime Minister's phrase, had definitely tilted against the national interest. Apparently government supporters, including the Minister of Justice, suffered a lapse of memory.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his allotted time has expired.

● (2050)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I agree with my hon. friend from Winnipeg North Centre (Mr. Knowles) that the strike which prompted this debate having been settled there is no real purpose in sitting here any longer tonight.

Some hon. Members: Hear, hear!

Mr. Orlikow: That being the case I have no intention of speaking at any length. We in this party are, of course, happy the strike has been settled. However, I do not agree a great deal of credit is deserved by the minister or the government. The strike need not have taken place. It would not have taken place if the minister and the government had been as generous to those who have been on strike for the last couple of weeks as they had been to senior government employees over the past couple of years. I shall not illustrate this contention in detail now, but we shall find occasions to demonstrate clearly the vast difference between the attitude of the government toward senior public servants and its attitude toward tens of thousands of employees in the public service who are still working for very moderate wages. However, this is not the time to do so. The strike has been settled.

We are living in difficult times. We can be certain there will be other strikes in both the public and private sectors in the next few months. This does not surprise me. We have lived through three or four years of a booming economy during which time, encouraged by the government, corporations in Canada have made increasingly large profits. They never had it so good. This being the case it is not surprising that working people, in the light of those exorbitant profits and in the light of sharp increases in the cost of living, should demand their share of increased prosperity. The government asked for this kind of situation and now we have to live with it.

I know there will be opportunities in the coming weeks to discuss what lies ahead for the country, to consider the parlous state of labour-management relations, and we in this party intend to make proposals for what the government should do, and to point out what the government has failed to do to minimize differences and avoid possible strikes and work stoppages.

We hope the government has learned some lessons from the situation we have met tonight to consider and which it helped to create. We hope that in future it will move more expeditiously, more flexibly, and with greater humanity than I believe it showed in this dispute, so that we shall

not have to deal in the next few weeks or months with another situation similar to that which we have been facing for some weeks now.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, since a settlement has been reached on the strike which motivated an urgent and special debate, according to the provisions of Standing Order 26, I say our debate has come too late.

As it frequently happens with this political system, owing to our cumbersome democratic paraphernalia, debates take place in the House after the blows have been dealt.

Mr. Speaker, I am surprised to see that Progressive Conservative members want to proceed with the debate on a problem which has already been settled. That may be a way for them to avoid tackling current issues which are still wanting a solution, especially agricultural problems in eastern Canada, which they do not understand. Anyway, Mr. Speaker, the problem we are considering has been settled. Our debate deals with the problem of feed grain supplies, the problem of the grain handlers strike which jeopardized agriculture in eastern Canada, since the supplies of Quebec were in danger of being cut off. In most cases, there were only 5 to 10 days' supplies left in several cooperative mills.

Mr. Speaker, I think we should take this opportunity tonight to convince our Progressive Conservative friends not to waste the time of the House, and to concentrate just as many efforts on the study of Quebec's dairy policy with which our producers are faced for instance, and to try just as hard to solve agricultural problems of western Canada, so that farmers not only get adequate supplies of feed grains, but also do not feel cheated by a national agricultural policy which all too often favoured western Canada and rarely eastern Canada.

Mr. Speaker, agriculture in Canada may be the most politicized subject in our country, whereas it should be the least so since it is just a matter of feeding thee people of Canada.

We could talk about exports.

● (2100)

It is strange not to hear anything in the House about the imports which flood our market and compete with our producers. Not one Progressive Conservative has talked about it! When we hear the requests of producers about the price per hundredweight of industrial milk, we hear promises on every side. The Liberals and Progressive Conservatives evade the issue and blame each other. They suggest holding emergency debates after the problems have been solved, maybe to save face, but all this harms the farm producer.

As the spokesmen for eastern Canada, we are happy that this labour conflict has been solved in conditions acceptable to both parties, the government and the handlers. We regret the fact that our collective bargaining system is so outmoded and old-fashioned that it is associated with politicians which play at farming policies instead of solving problems. Mr. Speaker, we deplore the fact that this conflict lasted so long to end in a solution that everyone could have accepted from the outset. This has harmed certain people. I for one have received several letters and telegrams from my riding asking to ensure the feed grain supply of farmers. We had to wait. The President of the Treasury Board (Mr. Chrétien) did not want to compromise himself in this matter while others played at party politics. What is most ridiculous in this matter is that we have a debate tonight when everything has been solved.

I would not want to take more of your time on this matter, but I would like to say in conclusion that the price of milk, which is an essential and basic food, has increased six times in 14 months. Who pays for these increases? The consumer. The price of feed grain will also go up, it is official, as will the cost of production inputs. Who pays for this? It is still the consumer; and yet, producers in eastern Canada do not make enough for a decent living on the farm.

Mr. Speaker, I hope some day producers will find out who in the House is playing politics and who is really on their side. When Canadian farmers do find out, they will help us abolish this system where political parties are passing the buck. They will realize that if there were more members in the House like, say, the hon. member for Bellechasse (Mr. Lambert), and fewer Progressive Conservative members who enjoy playing politics, the solutions to these problems would be found very quickly.

By way of a conclusion, I hope the House will be mature enough to put an end to this debate. Here is a line which I am throwing Progressive Conservative Party members before they drown: Help us turn this debate in favour of eastern farming. At least we will have helped agriculture tonight in a positive fashion, and done the utmost to defend farmers from eastern Canada, something which would certainly be new for members of the Progressive Conservative Party!

[*English*]

Mr. Jack Murta (Lisgar): Madam Speaker, I should like to say a few words in this debate tonight. It is indeed gratifying to all members of the House to learn the strike has been settled this afternoon, but it should be made abundantly clear that the motion that the opposition moved today was probably the log that broke the logjam as far as the strike was concerned, and forced the government to take action. So while we are debating some aspects of the grain situation it must be pointed out that in this respect the debate has been very successful, especially for the people involved in western Canada.

I should like to say a few words about the effect such a strike as this has had, and will have on farmers and on the agricultural industry in general in Canada, but first let me say that strikes of this kind of duration that have taken place, and possibly will be taking place in the future, are utter madness. The people of this country in all walks of life are becoming increasingly frustrated and dissatisfied at government inaction and at the over-all malaise that is apparent, which creates the atmosphere we have had in the past month so far as grain handling is concerned.

With regard to the effects the strike has had on the grain industry, on farmers and on the port of Vancouver, at the present time we are paying demurrage on 33 grain ships in the port. Six more grain vessels are due this week.

I understand that we will not know until the end of this week whether the longshoremen have ratified their agreement and returned to work. Some six or seven ships have left Vancouver because they could not get grain and were not prepared to wait around for a lengthy period of time.

The total amount of demurrage charges that the Canadian Wheat Board will have to pay, and consequently the farmers will have to pay, has been put at upwards of $4,000 per hour over the past number of weeks, that these grain vessels have been waiting in Vancouver harbour. This is money that will come directly out of the pockets of the farmers.

At the present time in western Canada roughly 22,000 boxcars are idle, which means approximately 50 million bushels of western grain are sitting completely tied up on the tracks. I contend that our transportation systems will be utter chaos until well on into the summer. Grain will be hauled in a criss-cross manner over the prairies, which means a great deal of inefficiency. For example, Alberta grain will have to be allocated to Thunder Bay so as to keep the stocks at Thunder Bay in proper position. Over the past three or four weeks almost all available rolling stock for grain has been filled to capacity, and one can well imagine the kind of chaos in which our whole grain transportation system will be.

According to figures provided by a very reliable source we have lost two months' movement of grain, or 50 million bushels. The minister responsible for the Wheat Board said that this grain has not really been lost, but if one talks to people in the grain trade, in effect this 50 million bushels has been lost. Grain sales are not being made at the present time, and none are being made into the future. Any sale that will be made will have to be deferred well into the next crop year.

This shows the magnitude of the problem we are discussing. Grain buyers are turning to the United States, Australia and Europe for supplies, and since the reputation of the port of Vancouver has been jeopardized I predict this kind of situation will continue. Canada's reputation as a reliable grain supplier has never been lower than at the present time, and this goes well back to the period when we were just starting to move grain in any kind of volume. Numerous contracts over the past three or four years have been switched from Canada to the United States, one being a contract for wheat with The Philippines, and another with Africa. The sad part is that both these contracts were with first time customers of Canada. One can imagine the problem we will have in regaining the confidence of these two customers specifically, and certainly there will be other cases. One of our major losses will be sales to Japan. Japan buys grain on a weekly tender basis. It has not been able to secure supplies from Canada, so consequently it will be buying from other countries.

Our farmers will be faced with these tremendous demurrage charges that have to be paid. Last year it was said we paid $17 million, and I predict that this will be about half the demurrage charges that we will be paying this coming year, taking into consideration all of the labour problems that we will be facing. Aside from that, in the past months we have seen world grain prices drop significantly. Farmers in western Canada who want to deliver grain have been completely isolated from the markets, and they have not been able to deliver it.

● (2110)

Another matter of great concern, certainly to the Canadian Wheat Board and other exporters, is the fact that there was a lot of grain for movement in what is considered the high price range, $5 per bushel. This grain has not been moved, and there is a chance that some of these contracts will have to be renegotiated. One of the reasons this debate is continuing tonight can be found in the fact that Canada has the second worst reputation in labour problems of any country in the world, right next to Italy. That is why we on this side of the House felt very strongly that the government had to act by settling the strike or bringing in emergency legislation.

Perhaps these areas that service such commodities as grain and others, which affect not only regional economies but the economy of Canada as a whole, should be considered with the idea of designating them as essential services. We must certainly come to realize that some of these services are essential, and situations such as the one we have seen take place on the west coast cannot be allowed to continue.

Up until the time the motion was moved today the government had done absolutely nothing. Yesterday the Prime Minister (Mr. Trudeau) said that this really was not of national importance. Let me say, in conclusion, that while in some respects it is gratifying to know that a part of the strike is over, and I remind hon. members that we are not sure that the longshoremen will go back, it is incumbent on members from those parts of the country that are affected to point out the disastrous situation which occurs when we experience prolonged strikes. It will be very interesting tonight to hear an NDP member from the prairies speak on this motion in favour of the farmers, while at the same time agreeing that grain must be moved in this country.

Hon. Jean Chrétien (President of Treasury Board): Madam Speaker, I am happy to participate in the debate tonight. I was willing to have it adjourned, but I felt sorry for the opposition as they would then have nothing to talk about. On reflection I thought it might be a good thing to have the debate because I felt that perhaps the hon. member for Vancouver South (Mr. Fraser) was making the speech of his career in launching his campaign for leadership.

An hon. Member: Where is he?

Some hon. Members: Oh, oh!

Mr. Alexander: I rise on a question of privilege, Madam Speaker. It appears to me that the minister is imputing motives to the hon. member for Vancouver South (Mr. Fraser) which are certainly not true. I want to say on behalf of my colleague that he is a man of great sincerity and is very concerned—

Some hon. Members: Oh, oh!

An hon. Member: So concerned he has gone home.

Mr. Alexander: It was a result of that hon. member's sincerity and his concern that a motion was moved this afternoon and allowed by the Chair. We all have a great deal of respect for the minister, but I find that his remarks were ill-chosen.

Some hon. Members: Oh, oh!

The Acting Speaker (Mrs. Morin): Order, please. The hon. member realizes, I am sure, that this is a point of debate.

Mr. Alexander: With all due respect, Madam Speaker, I was speaking on a question of privilege.

Some hon. Members: Oh, oh!

Mr. Alexander: I was attempting to tell the minister, through you, that he has never been more wrong in his life in questioning the sincerity of the hon. member on this side who moved the motion this afternoon with all sincerity. I suspect that as a result of that motion there was some influence brought to bear on the settlement that has been reached tonight.

Some hon. Members: Hear, hear!

Mr. Chrétien: Madam Speaker, I am sorry if my hon. friend is annoyed because I have a great deal of consideration for the hon. member for Vancouver South (Mr. Fraser), and probably it is because he is one of the best on that side.

Some hon. Members: Hear, hear!

Mr. Chrétien: That hon. member knows that if I had the opportunity I would seriously consider voting for him, because he could serve the interests of my party very well. I did not want to be impolite, and I thought when we were having a special debate like this we should bring a bit of life into our speeches.

Mr. Alexander: This is a serious matter.

Mr. Chrétien: I wanted to hear whether the hon. member had any very serious suggestions to make as to how we should settle these problems. It is very easy to say that we are the government and we should settle these strikes, but I am still waiting to hear any member on the other side tell me, or the House, that we should deprive these workers of the right to strike. I am not willing to do that.

Some hon. Members: Hear, hear!

Mr. Chrétien: Parliament gave them that right, and I believe in collective bargaining. What has happened in respect of this strike is another example of the fact that if you are patient enough you can resolve problems. In addition to that, even if I had settled that strike last week, or at the beginning of this week, it would have done absolutely nothing to change the situation in respect of wheat movement out of the port of Vancouver, because the longshoremen were on strike and I have no responsibility for them.

In any event, the pressure was not yet that great. Had I waited for the pressure I might have waited until next week. There would certainly be more pressure next week if the longshoremen were no longer on strike. If they do not approve today of the settlement reached—

An hon. Member: They don't know that.

Mr. Chrétien: They don't know that and they don't want to know, Joe, and you know that well. I could have waited until next week and there would have been more pressure. I believe collective bargaining can work. Of course the union did not get all it wanted.

An hon. Member: And who pays for it?

Mr. Chrétien: It is because the people of Canada have to pay that I am not willing to give away the store.

Some hon. Members: Hear, hear!

Mr. Chrétien: This settlement is a reasonable settlement between reasonable people. I think the union eventually recognized that it would have been very easy for us to have settled that strike. The federal government pays only 14 per cent of its total budget on salaries. So even if I exceed my budget by 10 per cent, this would create a burden of only 1.4 per cent of the federal budget. That would be easy for me. I think this easy way out would have created a precedent that would have forced everyone else to have the same thing. I said that the federal government must be a good employer, but we cannot be the pace-setter. We want to give our employees good rates of pay at levels comparable to the private sector. It is funny to see the opposition get up tonight and say, "Ha, ha; we have put the pressure on the government".

● (2120)

Mr. Alexander: Right.

Some hon. Members: Hear, hear!

Mr. Chrétien: At eight o'clock when I announced the settlement, they had long faces.

Some hon. Members: Hear, hear!

Mr. Chrétien: I was sorry to pull the rug from under their feet like that, because I am too much of a gentleman to handle people in that way. The hon. member for Peace River (Mr. Baldwin) earlier tonight said that the Prime Minister (Mr. Trudeau) at two o'clock said to me, "We are in trouble; settle it". At the time when I sat with the Prime Minister I informed him that I had made the offer this morning and was waiting for the answer. I knew at 2.30 or a quarter to three that we had a settlement. However, as you know, the union has to talk to its members, and so on, and I could not reveal what was going on because that would be a situation which might destroy the agreement. That is the reason I was not keen to have a debate tonight. It could also have an effect on the voting of the longshoremen in British Columbia; I do not know. I hope not.

I think the timing of this motion was rather bad. The opposition complains that we are not settling, and then they complain because we have settled. I wonder what

troubles we would have had if the Canadian people had not seen the light on July 8. I should like the hon. member to give us some suggestions. A committee is meeting on this subject: I refer to the joint committee of the Senate and House of Commons in respect of the Finkelman report. That is the place to make suggestions concerning what we should do.

It is very easy to have simplistic answers. One simplistic answer would be to take away the right to strike. I think that since 1967 we have had settlements in more than 96 per cent of the cases in the public service, without strikes. I think this record is better than anywhere else. Of course, there are some problems and some aspects might be readjusted. I am not comfortable with the situation where we have one strike, for instance, in respect of the weighmen and samplers in Vancouver who can close the port. I am not easy with a situation where a week or two weeks later we could have a strike by the inspectors. I think the committee studying the Finkelman report could look at the situation to see if there might be another way to negotiate.

Mr. Benjamin: We told you that two years ago.

Mr. Chrétien: These things should be said before the committee. We must work to find a more reasonable way, because I understand it is a difficult situation for everyone. But it does not mean that because we have to make some readjustments we should take away altogether the right to strike.

Some hon. Members: Hear, hear!

Mr. Chrétien: Of course, as the Prime Minister said, we will not hesitate when national interests are endangered: we would not hesitate, in that event, to bring in a bill. However, this would be an act of last resort. We should not use it every week, because that would make no sense. If you do not want to give the right to strike, say so and we will vote on it. I am not content that we should withdraw the right to strike, but if the public service abuses it some day, then we will have to consider what to do; however, my judgment at the moment is that this is not the time.

I believe collective bargaining is working well. We have made some concessions. I know the unions wanted much more, but in this period we must show leadership. This is a settlement of 29¼ per cent for 26 months. It is about 1 per cent more than was recommended by the conciliation report, over a period of two years; but it is nothing to get excited about. I believe it is a good settlement. I hope the country will realize that sometimes it is necessary that we suffer from a little strike.

An hon. Member: Little?

Mr. Chrétien: I say it was a little strike because there were 19,000 people involved in it, respecting whom there were negotiations, and yesterday there were only 700 people involved.

An hon. Member: How much money for the producer?

Mr. Chrétien: The producer will not lose very much.

Some hon. Members: Oh, oh!

Grain Shipments

Mr. Chrétien: The producer will not lose very much because—

Some hon. Members: Oh, oh!

Mr. Chrétien: Wait a minute. I am no expert; I do not know.

Some hon. Members: Oh, oh!

Mr. Chrétien: They have not lost their wheat. Perhaps the price will be better next summer and they will be grateful; I do not know. I just say that they are like anybody else. If you do not want a strike, stand up and vote against the right to strike. What I cannot understand is that the opposition members vote for the right to strike, and when we have a strike they say there should be no more strikes. I say hon. members opposite should make up their minds. I have to work within the law that was passed in 1967 by parliament.

Mr. Hnatyshyn: Madam Speaker, I wonder whether the minister would accept a question.

Some hon. Members: No.

Mr. Chrétien: Yes.

Mr. Hnatyshyn: I should like to ask the President of the Treasury Board (Mr. Chrétien) whether or not he agrees there is room for action on the part of the government when the national interest is affected? Would he agree that if we have a situation with a union which adversely affects our trade, then government action is called for?

Mr. Chrétien: I am glad the hon. member asked that question, because I said there is one point at which we must intervene. That point has not yet arrived. If we had settled the PSAC strike last week, because we were involved at the port of Vancouver in another strike, the movement of grain might have been prevented in any event.

I think there is a point where we must intervene, but it is a question of judgment. We were preoccupied with the movement of grain. It was not advisable for the government to say at any point that it intended to intervene, whether it had been tomorrow or another day, because in a situation like that the union would sit back and say, "Let the government force us". It is not advisable to show your hand in advance because the union would tend to sit back and not bargain. That could have happened tomorrow or on Friday, I do not know and I will not tell you, but it seems to be that it is not advisable to show your cards because the unions would tend to sit back and not sign an agreement. The hon. member for Hamilton West knows very well that if you show your cards to the union, they will not want to settle and they will be in a position to say that they were forced back to work.

● (2130)

Mr. Alexander: I disagree.

Mr. Chrétien: I am listening and waiting for the opposition to tell us if they have a better way of settling strikes. I want to repeat that this is another example which shows

that collective bargaining is working. I admit that it took four weeks to settle the strike, and that is much too long. I can say that the offer made today was not much more than the offer made almost five weeks ago. But I stood firm.

Some hon. Members: Hear, hear!

Mr. Chrétien: I stood firm because it was in the national interest to do so. I could have easily agreed to their demands the first day and given them everything they wanted, but that would not have served the national interest well. I said during the strike to the people who were striking illegally that we would prosecute them. We would not have done so because we liked to but because it is the only way to act. I hope that people will understand now that we accept the right to strike by those who have the right to strike, but we do not accept the right of people to walk off their jobs illegally.

Some hon. Members: Hear, hear!

Mr. Chrétien: They say this is well understood. I think we have to go through that exercise to prove to the country that collective bargaining is still working. Of course I am sorry for the employees concerned who were out of work for four weeks and a few days, because many of them will perhaps take many months if not many years to recover from that, but that was their own choice and it is part of the gamble they took. If they had won the first day, they would have been very happy. Certainly I was not happy about a strike that lasted almost five weeks, nor were they happy, but eventually we found common ground which was acceptable to both parties.

I challenge the hon. member once more because we do not want to lose the whole evening. I was disappointed at the fact that the hon. member for Vancouver South did not come up with any precise suggestion. All he said was that the government should have acted. That is easy.

Some hon. Members: Oh, oh!

An hon. Member: You are the ones to act.

Mr. Chrétien: The hon. member did not say that we should withdraw the right to strike. It is the other hon. member who said so. I wish the party opposite had one policy. We in this party have one policy.

Some hon. Members: Hear, hear!

Mr. Chrétien: I agree with the hon. member for Vancouver South and that is why I was trying to help him in a possible endeavour on his part. However, it is sad but there is no opposition. We want to know where they stand on those issues. They say they are for the right to strike, but not when grain is involved. Other hon. members of the opposition say they are for the right to strike, but not when lumber is involved, and still other hon. members are for the right to strike but not when cattle is involved. It is always like that. The government cannot operate that way. People either have the right to strike or not.

I do think, Madam Speaker, that each one of us should be happy that the strike is over. I hope that we will not have too many strikes in the future.

Mr. Fraser: Will the minister accept a question?

[Mr. Chrétien.]

Mr. Chrétien: Yes, I will.

Mr. Fraser: Before I ask the minister a question I want to say that in the event that hon. members did not realize it, or were not listening when I first rose to speak, let me remind them that I congratulated the minister for having worked very hard.

Some hon. Members: Hear, hear!

Mr. Fraser: I am sure the minister did not really mean in any vindictive way the remarks he apparently made about me when I was out of the chamber for a moment. I can assure the minister that I realize the remarks were made in jest.

An hon. Member: What is the question?

Mr. Fraser: It is coming. The question that is facing this House, and that was facing the House over the last few weeks—

Mr. Guay (St. Boniface): Say something.

Mr. Fraser: —was when does the right to strike, which is a right under our legislation, have to give way to the greater right of the national interest? I want to read to the minister the following statement made by the Minister of Labour (Mr. Munro) on August 30, 1973:

Mr. Speaker, as members of this House, I am sure, are well aware—

Some hon. Members: Oh, oh!

Mr. Fraser: Just a minute, Madam Speaker. This is the point that the minister has to determine.

Some hon. Members: Order!

Some hon. Members: Question!

The Acting Speaker (Mrs. Morin): Order, please. The hon. member wanted to put a question to the minister. Perhaps he could do so now.

Mr. Fraser: Yes, Madam Speaker.

Mr. Guay (St. Boniface): You blew it again.

Mr. Fraser: The minister went on to say:

—the bill which is now before them concerns the government's legislative proposals respecting the resumption of rail services. The reasons for these proposals are, I believe, equally well known. The suspension of railway operations and subsidiary services which began regionally on July 26 and nationally on August 23—

Some hon. Members: Oh, oh!

Mr. Fraser: The minister has asked for a question and I am sure he wants to hear it.

Some hon. Members: Question.

Mr. Fraser: The minister went on to say:

—has resulted in widespread economic loss to the extent that the welfare of the nation has become imperilled. As the Prime Minister (Mr. Trudeau) has indicated, it is essential to the interests of the people of Canada and the welfare of our nation that railway operations be resumed immediately.

Some hon. Members: Order!

Mr. Fraser: I have not come to my question yet, Madam Speaker.

The Acting Speaker (Mrs. Morin): Perhaps the hon. member could make it very brief because the time allotted to the minister has almost expired.

Mr. Fraser: My question is simply this. If it was against the national interest at that time to let the strike continue, why was it not against the national interest this time when we have had all these work stoppages and no grain has been moving on the west coast for 70 days? Can the minister, who is asking for some help and guidance, give us that magic answer?

Mr. Chrétien: I think that the answer is very simple. Today, yesterday and the day before I knew that a settlement was near and that it was not advisable to make any moves in parliament. I was advising my colleagues in the cabinet, and I know that at one point perhaps the government would have come to the decision to move. It is purely a question of judgment, and we felt that we had not reached that time yet.

Some hon. Members: Hear, hear!

Mr. Chrétien: We have been proven right because eventually we achieved a settlement. I am sure that the hon. member for Vancouver South, as well as other hon. members, are happy that we have reached that settlement as a result of negotiations rather than by way of legislation. That proves that the unions can be responsible. There are too many people who think that unions are irresponsible, but you have to look at the context. There are some people who want to catch up with others, and there are some emotional debates sometimes that need to be settled. So all these factors must be analysed. We are human beings. We can make that judgment, but it appears that we have shown the right judgment in this case.

● (2140)

Some hon. Members: Hear, hear!

Mr. Eldon M. Woolliams (Calgary North): Madam Speaker, I hear hon. members opposite shouting "leader". Everyone on this side of the House seems to be a leader. We're all leaders.

Some hon. Members: Hear, hear!

Mr. Woolliams: I listened very carefully to the President of the Treasury Board (Mr. Chrétien) without heckling him. I hope that tonight the House will give me just a few minutes attention.

First of all, at the outset I would say that everyone on this side of the House is certainly very happy that the strike is over; indeed, everyone on all sides is happy. Nothing gives me greater pleasure than to know that the President of the Treasury Board took a part in the settlement of that strike. He is one man on the other side of the House for whom I have much respect, but I think at this time it is incumbent upon me to reply to some of the things he said before I make a few remarks in reference to what I think has happened during this strike, and other strikes, as far as the grain producers are concerned.

The President of the Treasury Board says that he feels sorry for the opposition. I do not feel sorry for the opposition. I do not feel sorry for the government. I feel sorry for the starving people in the world, when we in western Canada are the breadbasket of the world capable of producing much grain for those starving people. Those are the people I feel sorry for.

Some hon. Members: Hear, hear!

Mr. Woolliams: We have been waiting months for a ship to be loaded for Bangladesh. There has been one strike after another, and while these people lean farther to the left, I see politics in the eyes of many.

An hon. Member: You are looking in a mirror.

Mr. Woolliams: If I did look in a mirror I would see a better face than the hon. member would if he did.

I know that my hon. friends opposite say that through the President of the Treasury Board they have one policy. Their policy is to howl and shout during a debate. That is all they know, and I do not intend to engage myself in an argument. They are a flock of geese all sitting together.

The President of the Treasury Board said that we must be patient. I think I am a patient man. I think parliament is fairly patient, but we have in western Canada a $2 billion industry, one of the greatest industries in Canada, grain production, and I am confident that if an interruption of that kind took place in eastern Canada, in the province of Quebec or Ontario, where the government gets its votes, something would have been done about it. But the patience we must have is the patience to wait until the government does something for the west.

When we talk about a $2 billion industry, I say to those who holler and shout that they should read the financial reports of the banks. In a $2 billion industry every dollar in trade is worth $4 in the gross national product, and the gross national product determines whether we will have 4 per cent, 6 per cent or 7 per cent unemployment. Not only are the farmers of this nation concerned but the workers are also concerned, and that is why we are concerned, and why the hon. member for Vancouver South (Mr. Fraser) moved his motion today, and I am very thankful that he did. If there was any help thereby given to the President of the Treasury Board to end this deadlock which has paralysed the industry in western Canada, then I am very happy, but I want to put a few facts before these howling wolves opposite.

Some hon. Members: Oh, oh!

Mr. Woolliams: The public interest of Canada is paramount to any other interest. Surely the international public interest of the world is paramount to any other interest. We have a $2 billion industry on the prairies. We have the ability, because we are the breadbasket of the world, to feed the starving people of the world, and yet the government sat paralysed, doing nothing, while people were hungry not only in other parts of the world but also right here in Canada.

I want to discuss something which to me is quite a joke. The Prime Minister (Mr. Trudeau) went to Europe ostensibly to try to build up some trade with the European

Common Market bloc. While he was away trying to promote a little trade, what was happening to the greatest industry of Canada, the grain industry? Ships were tied up in the harbour in Vancouver. I made it my business today—and I do not rise in this House unless I have facts—to call Vancouver, and as of March 18—

An hon. Member: Oh, oh!

Mr. Woolliams: I wonder if my hon. friend opposite could just contain himself for a moment. On March 18, 1975, there were 33 ships tied up in Vancouver. My hon. friends opposite say that that is nothing, but it has cost the western farmer $17 million, and I would suggest that when the bill gets to the Wheat Board—incidentally I should be interested in the comments of the minister responsible for the Wheat Board for whom I also have some respect the Minister of Justice (Mr. Lang)—it will be closer to $30 million. That money is not paid, the President of the Treasury Board says, by the people of Canada. That money is gouged from the farmers of western Canada, the producers.

I feel that there was some liaison with the Prime Minister's group so that he was away while all this was happening, and he did not have to answer questions.

We have a lot of patience, and we waited while western Canada was gouged for at least $17 million, and it may eventually be closer to $40 million. While that happened, we lost the market in Japan. I believe that the minister will confirm that last year Japan took about 20 per cent of our wheat exports. Japan has now gone elsewhere because the credibility of Canada was gone.

Mr. Flynn: Where did they go?

Mr. Woolliams: They could not rely on us to make the deliveries. It is not only this strike, it is strike after strike. The government says that this has to be done and that has to be done, but while that is going on we are losing our markets abroad. I might point out to my hon. friends opposite that the farmers of western Canada, as the Minister of Justice knows, are faced with great costs. For a large wheat farm a combine costs $35,000.

Mr. Young: It costs the same in the east.

Mr. Woolliams: Other machines for seeding are comparably priced. Costs are going up every day. Those machines are not bought in western Canada. They are bought in Ontario, and when they are bought in Ontario that provides the standard of living and the jobs for people working in the steel factories of Hamilton and machine factories throughout Ontario. That provides labour with a tremendous standard of living, and provides Canada with the kind of gross national product which built this nation. I recall one of the slogans: they said, "The country is strong". Thank God it is strong, Madam Speaker. It could not withstand such a government if it were not strong. Maybe my friends will be a little kinder to me because I want—

● (2150)

An hon. Member: You know what the people of Canada said on July 8.

[Mr. Woolliams.]

Mr. Woolliams: —to speak for a few moments about the efforts of the New Democratic Party. We have here a number of members of the New Democratic Party which was formerly the CCF Party and were founded on an agrarian movement. I remember when it began: the Regina Manifesto did not originate in Regina but in the Palliser Hotel in Calgary. I have yet to hear a member of the New Democratic Party, when wheat producers are suffering in western Canada, stand in his place and complain about the deliveries of grain around the world because they are so obsessed with the idea that they must always help the labour movement.

Members from Saskatchewan should look at that province, under Premier Blakeney, where most of the constituencies are rural. They should look, too, at Manitoba, under Premier Schreyer, where many of the constituencies are rural. They should perhaps study what those two premiers are doing to keep the support of the western farmer. They should be honest enough to say to western farmers, "I have never supported your interests at any time when there has been a strike". Those are the facts and they should be put on the record, but they are always swept under the table when the NDP ask questions in the House about strikes. They are convicted by their silence. When there is a strike at Vancouver harbour, NDP members are always silent: they are silent because they are scared.

Wherever we see a monopoly in business, in a co-op, in the labour movement, it is bad for the national interest. The indictment against this government is that they let the national interest suffer for their own political advantage.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Woolliams: That is what they have done. I always thought that when a government got a majority it could rise above politics, at least for the first few years in office, and measure up to the national interest. But the Liberal Party has always played politics on every issue.

An hon. Member: They have given us a majority since confederation.

Mr. Woolliams: My friend worries about a majority. I say to him I would rather stand on this side of the House and speak tonight for my principles than sit where he is without them.

Some hon. Members: Hear, hear!

Mr. Woolliams: The first thing any government in Canada has to do is measure up to the national interest. That should always be put first. Whether you have to compromise with labour, management or business, the national interest comes first, and above all come the starving people of the world to whom we have an obligation.

Some hon. Members: Hear, hear!

Mr. Woolliams: I want to hear what the New Democratic Party has to say about the starving people of the world. They have supported everything that has gone on in Vancouver, basically for political purposes. I want to hear

what they say when they get up and plead and cry with big tears. I think they are playing the same game as my friends opposite. Only a short while ago they were together in the same bedroom: the divorce is only temporary until the next election.

Hon. Otto E. Lang (Minister of Justice): Madam Speaker, I should like to make a brief intervention in this debate to comment on a few of the matters that have been raised. I listened with interest to the previous speaker and his suggestion that we were serving a particular political interest in dealing with the labour situation before us, settlement of the dispute and return to work. He did not make clear the particular interest he thought we were serving, but it should have been plain to him that we are serving the system of settlement of disputes and the collective bargaining process as it exists in this country.

I want to assure you, Madam Speaker, that this government was completely aware of the consequences and significance of the work stoppage. After the presentation of the problem as viewed from the position of prairie persons interested in grain there could have been no doubt on the part of the government about the seriousness of the matter in terms of the delay and the problems associated with it. This leads to the question of how this matter ended as it did and why the government took the position it did.

I should like to refer to the statement of the President of the Treasury Board (Mr. Chrétien) that we were involved in two strikes here rather than one, and they were overlaid one on top of the other. I should point out that during the course of negotiations in the longshoreman's strike there seemed to be a significant chance of settlement by bargaining, and even when the strike took place it looked as though settlement might be achieved at an early date through mediation. This turned out to be the case, through the skilful mediation of Mr. Kelly, Assistant Deputy Minister of Labour: a settlement was reached and will likely be ratified within the next couple of days.

The other strike that overlaid the situation and closed the whole of the port on the west coast, not just in regard to grain, meant that there was another situation in existence while the strike in the public service was continuing. It was a complicated question then as to how quickly we should intervene in a situation where the longshoremen and the management had attained a significant degree of understanding about the problem of work stoppage and particularly about the problem of grain.

As we started this debate tonight I mentioned the ratification of the settlement by the longshoremen. I hope it will be ratified and I have some confidence that it may be, because in other situations they have shown concern and understanding about the problems that the stoppage of grain inflicts upon this major industry in our country. That consciousness of the problems caused by strikes by those involved in them is an important development and growth that we need in this country. I do not think it is particularly helpful, instead of directing attention to the problems that strikes produce for society, for interested third persons to indulge in rhetoric about the need for settling strikes or the need for doing something else in the situation. That is evading the fundamental issue that exists in the labour field itself and the question of how to solve disputes.

● (2200)

An hon. member tonight said that strikes are madness. I have said that strikes, in their effect on innocent third parties, are barbaric. Sometimes their effects on innocent third persons are drastic. But I have also said that we should consider the history of the strike and why working men have so readily used it. They have resorted to the strike weapon when there is not some other fair way to resolve a dispute.

Many of this country have said that an alternative to the strike should be found, that some form of arbitration, some form of decision, should take the place of the strike. I believe that the steps toward resolving this problem will only be taken through discussion, education and understanding; they will not be taken through legislation or dictation. Above all, the solution will not be found if we adopt what some so readily talk about. When some talk about compulsory arbitration they really mean that they want a solution for low wages rather than fair wages. Far too often that is the solution some people want. I will have no part of any solution to take the place of a strike that is not fair, because I know that working men originally went on strike in protest against conditions which were unfair. The strike weapon was the weapon they chose, illegal though it was, in their search for fair dealing. We should bear these considerations in mind in any search for solutions.

In no jurisdiction of this country has the solution to this problem been found easy or simple. Given our present system of labour-management relations, there is not any province in this country which has not experienced difficulty in resolving labour disputes, in bringing about solutions. Men charged with the responsibility of government in this country earnestly try to find solutions to labour problems. On the other hand the opposition says, "Let us march in and settle a strike right away." It says that simply because it need not put forward alternative solutions, because it need not suggest how we will bring about, step by step, conditions which will lead to the labour peace, which is so essential to this country.

Mr. Benjamin: What has the government done?

Mr. Lang: Let me say to the hon. member for Regina-Lake Centre (Mr. Benjamin), in case he thinks I have let him off too lightly, that he may have fun trying to explain the position of the provincial government of Saskatchewan, which has made statements the effect of which has been to arouse the opinion of the agricultural community against strikers. That government's attitude may almost be termed as anti-labour; I hope it is not. I think I can say to that government and to leaders of farm opinion in Saskatchewan that they should seriously consider the kinds of discussions which are needed if the difficulties of working men are to be resolved.

Of course the Premier of Saskatchewan did not waste much time before acting. The NDP in Saskatchewan tried to sound, in Saskatchewan, as if this government were at fault for not stepping in early and ending the strike. NDP members in the House have the attention of the entire country, and they adopt a different stance. That is one of the problems with that party.

Let me refer to the bright side. If the strike is now ended and the longshoremen's agreement ratified, there is the possibility that we will catch up in short order. This will involve the co-operation of many people. There will be extra shifts worked, fast unloading, and fast rail movement. All this has been discussed and is being organized. At present 20,000 grain cars are loaded with grain and it should be possible for us to catch up with our backlog in short order.

An hon. Member: We shall not need more ships.

Mr. Lang: Some hon. members opposite are cynical. I do not think they ought to be, because in so doing they are suggesting that this country is not a dependable supplier. Actually our record over the years has been extremely good. It is our competitors who like to put forward the contrary view. That does not mean we are over our difficulties in this area. I ask hon. members opposite if they are responsible to speak about alternatives to the kind of collective bargaining process we have in this country, or alternatives to the legitimate strike weapon. Neither the Conservative government of Ontario nor any other Conservative jurisdiction in this country has found an easy and facile solution to the problem. That is a fact. I ask leadership candidates opposite, or those who like to make late night speeches, to make suggestions in this area instead of sounding a note of alarm.

I found it amazing to note one or two of them taking the credit for the settlement of the dispute, although some were fair enough to give credit to the President of the Treasury Board (Mr. Chrétien) who so richly deserves credit for the long hours he has spent working on this matter. Too often, when discussions are going on, the government has to remain silent and not interfere with negotiations, while the opposition comes forward with its interventions, talk and irrelevancies. That is behind us.

When the President of the Treasury Board rose to announce the settlement of the strike, I noticed the looks of sadness which came over the faces of some opposition members who were disappointed at the strike settlement for some short-sighted tactical reason. We must give credit to the President of the Treasury Board, and we must embark on discussions which will lead to positive suggestions on how to resolve difficult labour-management relations. We must bring about a legitimate form of settlement, one that does not impose poor conditions and low wages on the working men of this country.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, thank goodness we have the hon. member for Vancouver South (Mr. Fraser).

Some hon. Members: Where is he?

Mr. Alexander: He had the interests of the Canadian people sincerely at heart when moving his motion.

Mr. Benjamin: Is this a nomination speech?

Mr. Alexander: Someone suggested that the hon. member's motion is one of the most pertinent so far to be placed before Mr. Speaker.

I listened to the minister in charge of the Wheat Board suggest that he and the President of the Treasury Board (Mr. Chrétien) had settled this matter. I suggest he and the President of the Treasury Board were less than honest. They said that my party presents no alternatives. Let me remind this House that we have suggested the establishment of a public interest disputes commission. I don't mind the government playing games; but let it be more honest.

An hon. Member: Why didn't the minister mention the proposed commission?

Mr. Alexander: He didn't mention it because he knew I was going to.

The President of the Treasury Board said this was just a little strike. He said that it had gone on for four weeks, which was much too long. That is precisely our point. It was not a little strike, and it went on too long. That is why the hon. member for Vancouver South presented his motion earlier today. On the other hand, when we had that argument about the point of order the President of Treasury Board (Mr. Chrétien) said it would not be right to speak because we might prejudice negotiations. The Minister of Justice (Mr. Lang), said the same thing. And who was the first to get up to speak? It was the President of the Treasury Board, followed later by the Minister of Justice. Did you ever hear such hypocrisy?

● (2210)

Mr. Lang: On a point of order, Mr. Speaker, if the hon. member will check the record he will find that I suggested that in view of one particular strike situation it would be better to have no words exchanged. What I really did was appeal to the good sense of hon. members opposite and, of course, that appeal was misdirected.

Mr. Alexander: Before I was so rudely interrupted I was about to say that one of the prime functions of an opposition is to make the government behave. If possible, it should put forward constructive criticism as well. We are doing this, and we are doing it in the public interest. I am not standing here as any leadership contender, either.

Some hon. Members: Hear, hear!

Mr. Alexander: I am standing here on behalf of the Canadian people who want leadership in times of industrial disruption. I recall my seatmate indicating he was concerned about the paramountcy of the public interest. Certainly we have appreciation for the collective bargaining process and the time-honoured right to strike and lock-out. But there must come a time when the public's interest is overriding and when the necessary steps to preserve it must be taken. That is why hon. members are sitting over there temporarily; it is to give leadership in that regard.

In the past several months Canada has been the victim of a succession of strikes affecting the movement of grain. This is what disturbs us. This is what, I am sure, disturbs members on the other side of the House. They know that as a result of these strikes Canada's international reputation is being ruined. They know Canada has suffered economically. Need I remind them again of the 222 grain

inspectors? We hope the longshoremen will settle. Apparently the grain weighers and the samplers have settled.

What will be the consequences of these stoppages? Well, between 30 and 40 vessels are waiting in Vancouver. Some 90 shipping days have been lost. Canada is now 900,000 tons behind in grain deliveries to China from both coasts. China is now negotiating to buy one million tons of grain for 1975, and the delays I have mentioned have jeopardized this. Japan is replacing March, April and some May grain shipments by negotiating purchases from the United States and Australia. There are 22,000 boxcars sitting out on the prairies. Yet the minister says this is a little strike. This shows a callous disregard for the welfare of the Canadian people as well as for our international obligations.

What about demurrage? Members opposite play this down. The word simply means fees paid to ship owners to compensate for delays. These fees are paid ultimately by the farmers; the figure has already reached some $17 million and, as has been stated by my hon. friend from Calgary North (Mr. Woolliams), it could yet reach between $35 million and $40 million. Let me give you the facts, Mr. Speaker. We deal in facts on this side; we don't deal with hanky panky.

In 1971-72 demurrage fees amounted to $1,871,000. For 1972-73, the figure was $2,397,636. In 1973-74 it was $17 million. Yet the President of the Treasury Board has the gall to talk about a little strike. The effect of this strike has been damaging to the Canadian economy. Future grain markets have been jeopardized. It is time we began to take notice of where we are going. We have heard all about the collective bargaining process. We have heard all about voluntary arbitration and compulsory arbitration. All I know is that the Minister of Labour (Mr. Munro) had better get going with his consultative process between labour, management and governments in an effort to come up with a solution.

Mr. Caccia: What is your solution?

Mr. Alexander: Mr. Speaker, I hear an interruption by the hon. member for Davenport (Mr. Caccia). I should not have mentioned his constituency; I do not want to give him any credit. The member for Davenport was not in the House at the time or he would know I have already put forward our solution. You people never want to listen.

● (2220)

I stated at that time that what we need are long-term solutions to bring some stability and order to the collection, loading and movement of grain in this country. I also said there was a need to recognize the great concern of labour and management regarding increased productivity, greater efficiency and communications, all of which are related to the great grain industry.

We have a commission now, the Bayda commission, looking into these matters.

Mr. Woolliams: They would not know who you were talking about.

Mr. Alexander: They do not know too much about it at all. They defrauded the Canadian people by promising them $3 billion, and that is why they are sitting over on that side now. I just hope Mr. Justice Bayda can find some solutions to make the industry viable once again.

I also hope those of us who have the opportunity of sitting on the special joint Senate and House of Commons committee to consider the Finkelman report will be able to lend their expertise and wisdom, so that between Bayda and Finkelman we can produce some solutions to the impasse we have now reached in the collective bargaining process.

I make no bones about it; it seems to me that the party most concerned about strikes is the party which does not sit at the bargaining table. I refer to the vast majority of the Canadian people who do not belong to any big union. Something like 65 per cent of the people do not belong to a union. This is why we on this side are concerned.

I hear the hon. doctor opposite grunt, but what does he know about it? All he knows about is medicine, but he is such a nice fellow I will leave him alone.

When the government misbehaves it is up to the opposition to make it behave. This is why the hon. member for Vancouver South moved his motion today. He put the preamble showing the urgency of the matter and then moved that the House adjourn, and I am pleased to have had an opportunity to become involved in what is a very significant debate.

[*Translation*]

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I congratulate the President of the Treasury Board (Mr. Chrétien) for his good work. He has proven himself.

[*English*]

Also he has been burned, he has been tied to the stake, he has been hanged in, all in effigy, and he has been carried around in a coffin. We have seen the hon. President of the Treasury Board suffer almost every indignity it is possible to suffer, but not once has he lost his respect for labour, which is more than I can say for some members opposite.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: I feel there are many in this chamber who heartily wish there were some magic new solution, innovative and exciting, a magic, unique means by which the grievances of labour could be agreeably determined, and by which also the demands of management might be met. There are new mediation-arbitration techniques being pioneered in North America, but they are all in elementary stages of development at this time. Today in Canada at least we on this side of the House are prepared to give collective bargaining our support. The rights of labour in this country have been too painfully gained to be given away or overthrown without the very deepest of consideration by the elected officials of the government and all thoughtful Canadians.

The motion of the hon. member for Vancouver South (Mr. Fraser) is a motion of desperation. We all recognize the cause to which he has given voice. The mighty port of

Vancouver is the heart of our province, and I agree it is ailing. But what should be a lifeline—

Mr. Nowlan: Where is your soul?

Mrs. Campagnolo: My soul is intact. Is yours? This lifeline of much needed grain to foreign ports has been halted. But the heart is not the only organ in the healthy body of this country. Let me tell hon. members about some other ports they have probably never heard of, in their lives. Have they ever heard of Port Alberni, Nanaimo, Powell River, Comox, Kitimat, Steward, Squamish, Masset, Burnaby, Queen Charlotte City and many more? Have they ever heard of Prince Rupert? If they were to take the time to talk to the longshoremen at those ports they would discover that while the major votes on acceptance or rejection of what we all hope is a settlement offer continue toward ratification at the end of this week, they have jumped the gun again. Even Prince Rupert will finally get the chance to vote this Saturday. We are not too unhappy about that; we are used to being left out. We are the last port to receive shipments of grain, even when Vancouver is plugged with waiting ships and facing daily mounting demurrage charges. It is still a rare ship that travels north to a harbour that is the world's third largest.

An hon. Member: Speak up, we cannot hear you.

Mrs. Campagnolo: I have lost my voice today, but I have been waiting to say this for so long that I intend to say it, whether you can hear me or not. Prince Rupert has been a port for 65 years, but became a national harbour in reality only on March 1 of this year, when the Minister of National Revenue (Mr. Basford) jumped into an earth mover and turned the first sod on federal general cargo facilities in that port. It will not be too long before vessels finally learn that Prince Rupert is 500 miles closer to the Orient than Vancouver. This constitutes a saving to shipping of one day's sailing.

Yes, Mr. Speaker, the north has grain to ship. But this country is not only grain, and I hope the members from the prairies in this chamber can hear me. Grain is not the only commodity we can talk about in this country. We have large resources of pulp and wood products, aluminium and copper concentrates, molybdenum, silver, jade, halibut and herring, fertilizer, and even the occasional manufactured goods manage to get shipped from our port. No, Mr. Speaker, Canada is not just grain, and neither is the west coast of B.C. Always, as in the motion before us tonight, it is grain of which the members of the House speak.

Through arbitration and mediation, through hard bargaining by labour and management as well as the government, we find at last an agreement. What do the people of B.C. say—the miners, fishermen, loggers and mill workers? They say, "What about us? What about our products? Don't we count just as much as the grain farmers? Isn't our contribution to the economy of this country just as important as theirs?"

● (2230)

The man who loads the primary products at northern British Columbia ports is just as much valued. He has to suffer a differential in his living that is practically unknown to those who live below the 53rd parallel in this country. He suffers a differential in amenities that other Canadians take for granted. His wage negotiations do not reflect the north-south division of this nation's wealth. His children have less access to education, they have fewer dentists, fewer doctors, fewer teachers and fewer professional people of all types.

The holidaying southern Canadian takes off from his home and goes 100 miles, gets in an airplane and flies away. We have to drive a thousand miles at times to get an airplane, which costs a good deal more as the distance is a good deal greater. Do you see compensation in their wage settlements for that? I suggest that you do not.

You often see southern dominated unions putting men on a northern differential or on a regional wage, but you find that often the special allowances are cancelled as a result of agreements by the unions as well as by management. Apparently these few northerners do not matter.

It is the same way when grain vessels are delayed by the process of negotiation. We then hear that all the products I have mentioned really do not matter. All the talk is then about grain. The suggestion is that we should settle the grain movement and everything will be all right. I admit that grain is very important to this country and this country would be nowhere without it, but I ask you to consider and remember that grain is not synonymous with Canada, just as Vancouver and the west coast are not synonymous with Canada.

The utilization of northern ports so much closer to Asian markets must be considered for all or a major part of new storage and handling facilities.

An hon. Member: You are losing your voice.

Mrs. Campagnolo: I don't care if I never speak here again, so just listen. Our preoccupation with grain must be transferred to equal concern for the people, east, west, north and south.

Some hon. Members: Oh, oh!

Mrs. Campagnolo: Are you talking to yourself or to me? This preoccupation with grain must be transferred to equal concern for people throughout the country. For the benefit of the workers and management we would like a better way to settle labour problems, but it is not just labour that must be held responsible. Has it ever occurred to any of my Conservative friends that once in a while the fault might be on the management side?

Some hon. Members: Hear, hear!

Mrs. Campagnolo: We all know what would have happened if, God forbid, you were on this side. We know what would have been done to labour if the Conservatives had been in government. We know about self-interest and grain interest, and that is important, but it is not pre-eminent. Until we can devise a better way let us give this good news tonight a little endorsement. The system is imperfect, but it still works, and the right to strike is still a right in this country.

Some hon. Members: Hear, hear!

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I only wish there were more participants from the Liberal side like the hon. member who has just resumed her seat. Her speech will read well to the prairie farmers who have become angered and aggravated by the inactivity of the government. I think that when they read her speech, with a sprinkling of the others that have been made tonight, they will realize that members of parliament have a tough job here as Conservatives, particularly those from the prairies, when we have this type of attitude to buck.

The hon. lady spoke as though grain were the only thing we were concerned about. That is not the only thing we are concerned about, but it so happens that on this particular occasion there was a public service strike of blue collar workers. This was a rotating strike, but for some reason or other the only segment that did not rotate was the grain handlers' segment. It is significant for members of the opposition to point that fact out to the hon. lady and other Liberals who were not aware of the fact that the only segment that did not rotate was the grain handlers.

The Minister of Justice (Mr. Lang), the minister in charge of the Wheat Board, tried to parley this thing into a great conflict. He tried to make the House think there were actually two strikes in Canada at this time, and that there had been two strikes all along. The grain weighers and samplers have been effectively on strike since February 7, whereas the longshoremen have only been on strike for the past week or so.

The Minister of Justice spoke about what one must consider as the national interest, and he suggested that solutions must be fair. He said that above all Canada must remain a dependable supplier. I would ask the hon. minister to take into consideration what is in the national interest. Back on August 31, 1972, the government brought in Bill C-231 in recognition of the fact that the national interest was being endangered by the longshoremen on the west coast who should be put back to work. That bill dealt with that strike. The then Minister of Labour, now the hon. member for Scarborough East (Mr. O'Connell), had this to say when introducing that bill:

> But there are occasions when parliament must deal with situations, when the full resort to economic warfare by strike or lockout so impairs the ability of others to carry on their activities that it can be said to be against the national interest—

The Liberals do recognize that, at times when economic warfare carried on by strike does impair the ability of others to carry out their activities, this affects national interest. That was on August 31, 1972, and is history. We have to determine now what is in the national interest.

We are concerned when Canada imports far more than it exports. We realize that our exports play an important part in allowing Canada to meet its balance of payments in order that we can continue to enjoy our standard of living. In a recent document by the Bank of Canada, namely, its annual report for 1974, we find this statement:

> A good deal will depend on what happens abroad, for Canada cannot be expected to regain its economic health and vigour without an upturn in economic activity in the United States and in other important markets for Canadian exports.

The entire report, particularly the first 10 pages, suggests that Canada's exports are of vital importance to our wellbeing. The striking grain weighers number 40 people. We had to bring about a settlement that is fair to them and in the national interest. Those 40 people have tied up the grain movement for better than four weeks. We have to weigh the rights of those 40 people against the harm they have done to the total economy.

There is an interesting point which has not been referred to tonight, and I should like the hon. member for Skeena (Mrs. Campagnolo) to listen and learn a little bit about grain. When grain is sold on long-term contracts it is priced at the time of delivery. We have been experiencing a falling market, and grain prices have dropped $1.50 since January 1. Some members of this House, even on the government side, have suggested that we have lost 50 million bushels in sales. We have lost well over $50 million on the sales we should have been making. Those 40 people tied up the movement of grain and cost the prairie farmers well over $200 million when you total up the loss of sales, the demurrage charges and the depreciating price of grain.

● (2240)

It is interesting to note the following which appeared in the *Globe and Mail* of February 25, 1975:

> Canada has the grain, said Mr. Lang. The question is: 'How easily can we get the farmers to deliver it'?

The whole article encourages farmers to deliver grain. Then we have these headlines which appeared in the *Financial Post* for March 15:

> Strikes force Wheat Board to Discourage Grain Planting.

I am reading merely the headline. Certainly some people thought the national interest was affected. What made them think that? How did they reach that conclusion? In the 33 weeks since the current crop year began, for 11 weeks grain shipments have been held up. There have been only two occasions since August of 1973 when there has not been a tie-up of ships at the Vancouver port. No one can suggest that that is a smooth handling system when one realizes there have been only two occasions when ships have not been tied up, and when there has not been a backlog at the port of Vancouver.

Mr. Harrold, chairman of the Wheat Board Advisory Committee and President of the Alberta Wheat Pool, said that the board may be forced to limit future sales through west coast ports to 20 million bushels a month or less. The average movement in the past few years has been 30 million bushels a month. Mr. Turner, the president of the Saskatchewan Wheat Pool, says that prairie grain movement is the worst in the past four years. One of the largest grain handling agencies on the prairies says that the grain movement is the worst it has been in the past four years.

Surely it should be apparent to almost everybody that it is in the national interest for us in this House of Commons to urge some kind of action on the part of the government, not only in settling the strike which apparently has been settled but, if necessary, not to hesitate for another four weeks to settle the strike which may or may not be voted on tomorrow. One could go on and on in this regard. We note from the *Globe and Mail* of March 18 that 82 vessels must wait a minimum of three more days because of the strike at Vancouver. Certainly that is the largest armada that has been gathered in any port since World War II.

Admittedly only 40 of those vessels may be engaged in carrying wheat or grain because the other 42 may be involved in carrying containers, lumber, and some of the other things mentioned by the hon. member for Skeena. Surely this must constitute some need for government action. One of the largest ships has been there for over a month waiting for grain to be loaded. This is grain destined for Bangladesh which is badly in need of food. In fact thousands of people are starving in that country. Surely it is in the national interest for the opposition to be concerned about this matter.

I notice the members of the other opposition parties have been pretty silent. There are no members of the New Democratic Party in the House. We are working overtime and perhaps they are not getting paid for overtime. Most of the time they profess to be the great saviours for the starving people throughout the world. Were they concerned about that vessel being held up? Apparently they were not. Not one of them has spoken in this debate tonight. They have all gone home. Is this an indication of how much interest they have in the welfare of the farmers or the plight of the starving people throughout the world? It is only a quarter to eleven. Quite often we work this late. I am shocked that they would leave so early and take no part in this debate. They are not concerned about the national interest. They are not concerned about the starving people of Bangladesh or the tie-up on the west coast. They are only interested in their political well-being, which has been severely shocked.

The Acting Speaker (Mr. Penner): Order, please. Is the hon. member rising on a question of privilege?

[*Translation*]

Mr. Lachance: Mr. Speaker, we are not of those who asked that this debate be held. To my mind, the ministers and the government assumed their responsibilities by settling the two-week old strike. I therefore fail to understand the hon. member when he says there is no minister in the House this evening—

[*English*]

The Acting Speaker (Mr. Penner): Order, please. The hon. member knows this is not a question of privilege. He is entering a debate.

Mr. Horner: I did not mention that cabinet ministers have left, but it appears to me that the hon. member has a very thin skin and a very weak stomach, and he is feeling very put out because the cabinet ministers have left the House and he has to make an apology for them. I will forgive him for making the apology because I suppose I would feel as bad as he does if I were on that side of the House. Speaking of the negligence of members of the cabinet, there is no truer friend of the farmer than the Minister of Agriculture (Mr. Whelan). Here is what he had to say in Saskatchewan. Saskatchewan is a long way from Ottawa and that is the reason he must speak strongly to the farmers. I have before me an article which states:

> In Saskatchewan this week an angry grain farmer warned Agriculture Minister Eugene Whelan that farmers will have to take action into their own hands if the government does not end the strike by federal blue-collar workers that has halted the shipment of grain (as well as mail and airline service) across the country.
>
> 'If you can't do it we will just have to take the grain from the elevators to the ships ourselves'" he said.

This is the Minister of Agriculture. He is great, even in Saskatchewan, but he is hardly visible here tonight.

An hon. Member: He had two standing ovations.

Mr. Horner: I see the little boy of the minister in charge of the Wheat Board speaking up from the back benches. We know him on this side of the House as the mini minister. Here is another headline which appeared in the *Financial Post* of March 15, 1975. It states:

> West Coast Ports Again Hit by Prevailing Labour Gales.

This affects all ports and all shipments of all goods all down the line. Here is another headline:

> Strikes Force Wheat Board to Discourage Grain Planting.

Again we find another:

> Strike Effects Go Very Deep.

This article states:

> While this is madness in a world beset by energy shortages and hunger, such strikes are exceedingly dangerous for Canadians. The closing of the ports for the fifth time in 10 years is very effectively scuppering Canada's reputation as a reliable supplier—

Then there is reference to page 12 where there is a lengthy argument on the subject. Certainly one could quote articles day in and day out on this subject. Now I should like to quote from the *Free Press Weekly* for March 15, 1975. It states:

> Forrest Hetland, commissioner with the Canadian Grain Commission, may have best expressed sentiments throughout the grains industry when he said, "I am the most depressed person in all Canada today".
>
> "Canada's reputation has gone down, down, down ... it's the worst it's ever been since I've been here.
>
> It's a God-awful situation".

● (2250)

I believe he was appointed six years ago. That is what a commissioner appointed by the minister said. He must have thought there was a national issue here. He must have thought the country was affected by it because he spoke out loud and clear, even though he was a civil servant handling and grading grain for the Minister of Justice (Mr. Lang) who is in charge of the Wheat Board. I do not know what kind of justice the minister hands out and to whom he deals it out, but it was certainly not justice to the prairie farmers on this occasion.

The article then reads:

> Canadian Wheat Board offices were deluged with messages from countries that could no longer accept apologies from the central marketing agency—

The Canadian Wheat Board is the central marketing agency for farmers' grain and they have become a very respected agency throughout the world. But this is what they said on March 5, and I am reading from the March 15 issue of the *Free Press Weekly:*

> —grain orders and incoming ships were diverted from the paralysed port of Vancouver—

I cannot imagine why the hon. member for Skeena (Mrs. Campagnolo) has not expressed concern. I know she is a member representing the northern part of British Columbia, but surely the antagonism between the north

and the south of British Columbia is not so great that she cannot share part of the responsibility and concern for the southern part of that province. The Wheat Board said, further:

—Japanese shipping firms attempted to pull their ships out of Vancouver but were blocked by picket lines, and spokesmen for large, international trading houses in New York called Canada's performance "just unbelievable".

I think, also, there are many prairie farmers who believe that this government's performance is just unbelievable. I am very pleased that we on this side of the House initiated this debate, and because of that we can take some credit for spurring on a settlement of a strike which has lasted five full weeks. The minister in charge of the Canadian Wheat Board asked what alternatives the opposition has. It seems to me that the Liberal bank of ideas has run dry. It is they who are in power; they are supposed to have all the facts. My friend here says they had lots of promises in July. Yes, they seemed to have; but we on this side of the House realize that those promises were hollow.

They even had a transportation policy. The minister in charge of the Canadian Wheat Board was going to do away with the Crowsnest pass rates, but now the government realizes that with an election coming up in Saskatchewan it should not try to eliminate them. So the minister shelved this proposal and told the Saskatchewan people that the Crowsnest pass rates are here to stay for all of 1975. This is the great reassurance which they give in the hope they will win another election.

The minister asks, what are the alternatives? I have already said that many people, many marketing agencies and government officials in charge of handling Canadian grain believe that the national interest has been, and is being, affected by the inactivity of this government. A settlement must be fair. In this case, 40 employees tied up the whole western economy for five weeks. This is hardly fair. The government should have acted long before it did. It is hardly fair that there can be a rotating strike of airport workers, a rotating strike of snow removal crews, but not a rotating strike of grain weighers. They wanted to affect the largest possible segment of the economy because they wanted action from somebody. They had to wait a long time to get action from this government.

I believe that an alternative would be to establish a labour settlement commission which would attempt to settle a strike prior to the expiry of a contract. We do not have to wait until everyone is on strike before we realize that somebody will be out of work if we do not get them back to work. Surely we are educated enough to be able to communicate with one another prior to the expiry date of a contract. The labour settlement commission could bring in a report and the matter could be settled in time. Parliament would know whether that settlement was satisfactory and whether there would be a legal or an illegal strike.

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

Mr. Ralph E. Goodale (Assiniboia): Mr. Speaker, I suppose it is usual or traditional in certain circumstances to begin one's remarks with a reference to being pleased to take part in a debate, or words of that kind. In fact, I have used those expressions myself on occasion. But I am not pleased at having to take part in this discussion this evening, and I doubt if many hon. members can really say they are pleased to be here discussing this particular subject. This is not because the subject is unimportant—it is vitally important—and it is not because we are unhappy with the settlement that, fortunately, was reached earlier today, because we are delighted with the success of the President of the Treasury Board (Mr. Chrétien) in that respect, but we are not happy with the procedure this evening because, once again, we find ourselves dangerously close to a situation where parliament might be called upon to legislate the conclusion of an industrial dispute. That would be a most unhappy turn of events which I do not think any member of this House would welcome.

We have heard tonight, from other hon. members, some of the kinds of damage which these disputes involving the Public Service Alliance of Canada, the Treasury Board and the longshoremen on the west coast have caused—damage such as demurrage charges which farmers will have to bear, damage such as lost opportunities to make sales during the time of the shut-down, damage possibly to our reputation as a reliable grain supplier, the congestion which is now in our system and which may take some time to unclog, deferred contracts and the problem of a large carry-over at the end of the year. Those are real problems which are particularly acute for the western grain producers who, I am happy to say, are represented in great numbers in the constituency of Assiniboia which I have the honour to represent in this House.

● (2300)

Let me tell the House of a statement which was prepared this afternoon by the board of directors of the Saskatchewan Wheat Pool. The preamble to that statement is most important because it expresses the attitude of concern in western Canada. The board of directors said:

Provincewide anger and frustration over strikes in Canada are growing in intensity as farmers see clearly the devastating effects labour disputes have on our whole economy. We have been holding numerous public meetings throughout the province and these have been attended by thousands of farmers and numerous non-farmers as well. At every single meeting deep concern has been expressed about Canada's labour situation particularly with the disputes that have virtually stopped the flow of grain out of the country. Lost sales means lost revenue to farmers and other sectors of the economy.

That is a portion of what the board of directors had to say this afternoon in reference to the particular problem which was, fortunately, settled earlier today. It is an important expression of opinion because in this country we have a tremendous problem. I hazard to suggest that the matter of labour-management negotiations and industrial dispute settlements is probably the biggest challenge facing all levels of government federal, provincial and municipal as well as the private sector for at least the next year and a half. We are not happy that this challenge is again before the nation and this parliament. We are fortunate to have tonight a final settlement of the Public Service Alliance dispute, and hopefully within 48 hours we will have a final settlement with the longshoremen.

I want to devote a few minutes to the topic I spoke about some time ago in this House and which I know caught the attention of the hon. member for Vancouver South (Mr. Fraser) who initiated the discussion this

evening. I refer to a remark I made during my first speech in this House. That was last October, on the occasion when the House of Commons was considering the grain handlers' dispute in Vancouver. At that time I said, and I will repeat it tonight, that there must be a better answer and let us work to find that better way. The crucial issue is just that: what is the better way; what is the alternative?

Mr. Hnatyshyn: What is the better way?

Mr. Goodale: I welcome the interjection by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) on that point. We are all striving to achieve a better way. We hear few real answers from hon. members opposite other than sloganeering and critical harangues. Others could be more helpful in putting forward positive ideas. That is what the efforts now under way to reach a reasonable, national consensus on this issue are all about. That is what the Finkleman report is all about. That is what the Bayda commission in Vancouver is all about, and that is what the Saskatchewan Wheat Pool was all about this afternoon when its board of directors made the statement I read earlier. I would like to read the concluding sentence from that statement:

> —we would welcome the calling of a general conference of government, labour and industry representatives to determine the means to improve the collective bargaining process in Canada.

I would like to associate myself with the sentiments expressed earlier this evening by the Minister of Justice (Mr. Lang) when he called for the quest for an alternate system of dispute settlement which would not simply outlaw the right to strike by making it illegal or simply removing it. That is a rather simple solution which just will not work. Rather, we must develop what he referred to as a credible and effective mechanism which will render the strike weapon unnecessary. Simply rendering strikes illegal will not solve the problem; we must go to the root and render them unnecessary.

I would like to offer a specific proposal which I hope will commend itself to members of this House and to the government. I ask that we immediately seek out all parties which have any effect on or association with the grain handling industry—because it is a sensitive and very important industry—and seek from them a specific and concrete agreement and undertaking. Perhaps we can propose to the industry that grain handling be a special case or a test case. I think the expression of opinion this afternoon from the Saskatchewan Wheat Pool might be an indication that the parties in the grain industry would be willing to go along with such a suggestion. In a concentrated effort we could, with good will on both sides, without sloganeering, politicking or haranguing, experiment with alternate forms of dispute settlement over a specific period of time.

We would have a genuine national experiment with other ways of dispute settlement so that we would not be confronted with work stoppages. We would achieve agreement on that matter at the outset and then work with alternate methods. We could offer our farmers and customers greater assurance that "the grain will in fact go through." Our experience with grain could lead the way to a new regime. This experiment could point the way to a new establishment which would be a credible and realistic alternative in which both sides to a dispute could have confidence, in which the public could have confidence and in which we could all place our faith and trust so that damaging work stoppages in the future would be seen to be unnecessary.

As I say, and as other hon. members on this side of the House have said this evening—I hope the sentiment is general, and I suspect that it is despite some of the superficial comments to the contrary—it is not good enough to write some fancy slogan or punitive law on the wall and say, "Thou shalt not strike," because strikes will occur and they will be that much more difficult to deal with because they will be illegal strikes. We have to find the consensus, the basic foundation of opinion so we can find a way to make strikes, not necessarily illegal but very definitely unnecessary in this country so that work stoppages which damage so many other innocent people will be unnecessary.

I hope this suggestion will commend itself to hon. members of this House and I hope we can make use of the very sensitive and important grain industry as a place to start that great experiment.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, like the hon. member for Assiniboia (Mr. Goodale), I am not pleased to take part in this debate, but I do appreciate the opportunity of representing the many farmers and grain producers in my constituency on such a serious matter. I was a little bit disturbed when the House met this evening to hear an hon. member opposite rise and try to prevent us from having this debate. Referring to this debate, I read Standing Order 26(16)(a) which provides:

> The matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration—

Certainly there is indication that the strike has been settled and that the grain will perhaps start moving, but there are many other problems in the immediate future which will create a delay in the movement of grain. I was very disappointed to see the hon. member for Winnipeg North Centre (Mr. Knowles) stand up and try to prevent us from proceeding with this debate. It is also disappointing to see that there is only one member of the New Democratic Party in the House tonight, and that there is present no cabinet minister.

Mr. Benjamin: It's an even fight; don't worry about it.

Mr. Neil: I have been here since 1972. The government is supposed to have the answers to all these problems, but every time it is backed into a corner it asks what the opposition would do.

Mr. Benjamin: You haven't told us yet.

Mr. Neil: The government has its mandate from the people. It made its representations to the people. It has done none of the things it said it would do. It continues to tell the opposition that it does not know what to do, and asks what we would do. If the government does not have the guts or the intelligence to make a decision, certainly it is time it resigned.

Some hon. Members: Hear, hear!

Mr. Neil: I am pleased, however, to see that two of the Liberal representatives from the province of Saskatchewan are interested enough in this debate and in the handling of grain to be in attendance tonight. This tie-up of grain is of great concern to all farmers in the west and to all businessmen. Indeed, it is an important matter as far as the whole economy of our country is concerned. I recall coming back last fall after the election and participating in the debate on Bill C-12 which legislated the grain handlers back to work. I re-read the speech which I gave at that time—

● (2310)

An hon. Member: I bet you enjoyed it.

Mr. Neil: I did enjoy it, but I felt sad. I found in the speech at page 218 of *Hansard* a quotation from the *Globe and Mail* Report on Business for Friday, October 4, 1974. This is what it said:

> Japan has been forced to buy spot cargoes of wheat at a premium from the United States because of the six-week old grain handlers' strike in Vancouver, according to the Canadian Wheat Board.
>
> The board said yesterday that the amounts of wheat Japan was forced to buy amounted to hundreds of thousands of tons.
>
> The grain handlers' strike would have caused even more damage to Canada's reputation as a reliable exporter but for the fact there is so little available grain in the world that importers have had to stick with this country.

If the Board were concerned about Canada's reputation as a grain exporter in October, 1974, what is its feeling today? Agriculture is one of Canada's most important industries. It is the lifeblood of every community in the prairie provinces, and it has a great effect on the balance of payments. There is a spinoff to every other industry in Canada, machinery manufacturing in the east, automobile manufacturing, truck manufacturing and many other things. It is an industry that is persistently plagued with strikes.

Since the beginning of the crop year, August 1, 1974, the port of Vancouver has been shut down 35 per cent of the time. We have defaulted on contracts and have been called upon to pay penalties to the importing countries. The amount of these penalties are not known and the producer may never know them.

On Tuesday, March 11, I put the following question to the minister in charge of the Canadian Wheat Board which appears at page 3976 of *Hansard*:

> Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. On March 3 I asked the minister whether delays in moving grain on the west coast had resulted in Canada being called upon to pay sums of money under the penalty clauses in contracts entered into for the sale of grain, and the minister said he would look into the matter on an up to date basis. Is he now in a position to give an up to date answer?

The minister replied:

> Mr. Speaker, needless to say, there are many contracts and the details are rather voluminous. The matter is also a very complex legal one. Perhaps it might be amenable to a discussion between the hon. member and myself, which I am prepared to have at this time.

I had a discussion with the minister two days later and he said that there were problems; that we had been called upon to pay penalties to some of the importing countries under our contract. He said it was a rather ticklish matter and a complex situation. He said that if he were to tell me and the House the amount of these penalties it would prejudice our position as a grain exporter. I appreciate that fact, Mr. Speaker, and I would not want to see our position prejudiced. But at some point, Mr. Speaker, the grain producer in Canada is entitled to know what this tie-up of grain by the strike has cost him.

Some hon. Members: Hear, hear!

Mr. Neil: We are entitled to know what the Canadian Wheat Board will be called upon to pay in penalties under contracts and demurrage. I am sure the figure will be staggering.

Mr. Woolliams: Forty million dollars.

Mr. Neil: At least $40 million. And what about lost sales? I am sure we will never know the extent of our lost sales in the last few months. I know the Americans are picking up sales as a result of our default. The report of the National Association of Wheat Growers dated March 7, 1975, in Washington has this to say:

> Canadian grain movement has been completely halted by grain handler strikes at government elevators and a walk-out by west coast longshoremen. Canada is already way behind in meeting scheduled export shipments, and the continuing labour disputes have caused a back up of 20,000 loaded grain cars at west coast ports and idled over 30 vessels at Vancouver, B.C.
>
> Shifts to U.S. wheat will be one significant result of the Canadian difficulties, and western wheat associates announced this week that Japan will purchase an additional six million bushels of U.S. wheat for shipment during March-April because of the tie-up.

There is another aspect of the tie-up, Mr. Speaker. There are indications that certain importing countries will be calling upon us to deliver grain through eastern Canadian ports. A recent newspaper report indicates that the most recent contract that China has with Canada calls for 40 per cent of that contract to be delivered through eastern Canadian ports. I tried to find out from the minister if other countries were requiring similar delivery arrangements, and I put the following question to him yesterday as recorded at page 4200 of *Hansard*:

> Apart from the decision of the government of China to insist on deliveries of 40 per cent of its recent contract through the eastern ports, have other customers recently required that a portion of their grain shipments be sent through the eastern ports?

The minister answered:

> The story about China having required delivery of 40 per cent of its supplies through eastern ports was inaccurate.

The minister did not answer my question, Mr. Speaker. Perhaps the figure of 40 per cent is not accurate, but what is the figure? What other countries are calling upon Canada to deliver grain through ports other than the port of Vancouver? The producer is entitled to know this.

I was interested in a report which appeared in the Ottawa *Citizen* on February 26, 1975, headlined "The port of Vancouver will die . . ." The article quotes Mr. Fred Spoke, manager of the port of Vancouver, as saying:

> The port of Vancouver, biggest grain outlet in the world has "a grave obligation to a needy and hungry world . . . it should be allowed to live up to its stature."

He went on to say:

> Buyers are getting very apprehensive . . . and it's about time the public raised its voice. It's a horrendous situation, incredible. The

United Kingdom used to be considered the worst country for labour relations—now we've apparently stolen the crown from them.

Then he said:

We have very, very good facilities to export commodities, the presence of the Amoco is proof of that, but we have never been able to live up to our capacity because of circumstances beyond our control.

The article contains another interesting statement made by Mr. Stanley Reid, president of the central division of the Canadian International Freight Forwarders Association, who said:

The port of Vancouver, I don't think there's any doubt, will die.

What happens if the port of Vancouver dies? What will it mean to grain producers? Mr. Speaker, it will mean higher transportation costs on the export of grain to the Pacific rim countries. It will mean lower prices and smaller incomes for producers. It will mean that our deliveries of export grain are limited to the period during which the Great Lakes-St. Lawrence waterway system is open, and during the time the Churchill system is open.

The producers of grain are in a strange situation. They are paid the initial price and then wait a year for the final payment. The producer has no control over what the final payment will be. He does not control the movement of grain, its export price, or the handling and export costs. Those are factors beyond his control.

● (2320)

Strikes take place with great frequency in the grain handling business, but the producer cannot do anything about them. He takes no part in collective bargaining, yet pays the increased costs when collective bargaining has been finalized. He pays the cost of penalties resulting from breach of contract, and pays costs of demurrage. He is simply a pawn.

As I said, agriculture is the most important industry in Canada. If we are to have a viable industry and viable economy, it must remain one of the leading industries in Canada. Before entering the House this evening I read again the speeches of the minister in charge of the Wheat Board and of the Minister of Labour, made in October last year when this House settled the grain handlers' strike. I found it interesting to note that the ministers in both those speeches simply recited the history of the strike, and not once did they mention that the strike was being settled because it was in the national interest. According to all indications, the settlement was politically expedient. The government had decided that the time had come to settle the strike, and it settled it on grounds of political expediency.

To me the national interest is all-important. While I believe in the inalienable right of workers to strike—

Mr. Benjamin: You want to take it away.

Mr. Neil: —I think the public interest is more important than the right to strike. We cannot let strikes upset our economy and create chaos.

Apparently the west coast strike has been settled, but I anticipate further problems in the immediate future. Certainly in this enlightened day and age we should resolve our labour disputes without resorting to strikes. We must invite the government, industry and labour to co-operate and arrive at a solution.

Ours is a great country. Canada is one of the finest countries in the world. We must solve the problem of strikes and labour unrest; otherwise we will destroy our country.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, having listened carefully to members on the government side and members of the official opposition, I could not help sympathizing with them. When they find the economic system they believe in and support collapsing around their ears, they immediately seek scapegoats.

If you are a Liberal or Conservative member from an urban centre, you blame those darned farmers; if you are a Liberal or Conservative member from the prairies, you blame those darned labourers. You know, this reminds me of the days of the kings, the dukes, the lords and the czars. Their motto was, divide and rule. If you keep different groups fighting each other you will rule them, you can win elections, or win enough seats to form the official opposition or be the government. You can speak out of both sides of your mouth, or speak with forked tongues. Such people speak with hot mouths but cold hearts. They have been doing this since 1867.

I admire the hon. member for Skeena (Mrs. Campagnolo) for saying what she said. I sympathize with her. The ailment with her voice, although I did not tell her, is an ailment common to people in our occupation. It is known as preacher's throat. The only known cure is keeping your mouth shut—but she and I have failed in this. If the hon. member for Skeena would address the remarks she made tonight, which I thought were excellent, to the minister in charge of the Wheat Board and to the leader of the Liberal party in Saskatchewan, I should be most grateful, as would be all the farmers and workers in Saskatchewan. If she would do that she would do a great service for industrial peace in western Canada, if nowhere else.

Members on the government side, members of the opposition, of my party and of the Créditiste party should look at what our society has done for decades, that is, at how we treat people with high incomes as opposed to how we treat people with low incomes. I ask the hon. member for Skeena, the hon. member for Assiniboia (Mr. Goodale), and the hon. member for Battleford-Kindersley (Mr. McIsaac) to consider why employees of the government of Canada, that is, of the people of Canada, who earn low incomes are acting as they are. Let them consider what causes strikes.

Who are the people who go on strike. Well, they are ordinary people. They have wives, children and mortgages up to their eyebrows. They see that the government allows deputy ministers, assistant deputy ministers and executive assistants, whose Ph.D. thesis was on the sex life of the date Palm, salary increases ranging from $6,000 to $10,000 a year. These were granted without bargaining. A union was not involved. Actually I don't know if the people concerned even asked for as much as they got. But the Treasury Board, the hon. member for Skeena, the hon. member for Assiniboia and the hon. member for Battleford-Kindersley acquiesced in those increases. Those people were given increases equivalent to what some of

the people on strike in Canada earn in a whole year. If hon. members opposite wonder why government employees disobey the law, let them bear in mind the hypocrisy of the government which says that if your income is high, your salary shall be increased by $8,000 or $10,000 a year, and you will be paid even more for overtime. Executive assistants are to be paid money on top of their increases for overtime.

On the other hand the man who cleans the airport runway, or samples grain or weighs grain, is to get an increase that does not even allow him to catch up with the increased cost of living brought about by inflation. People like that are the first victims of this so-called free enterprise society you all advocate, and you wonder why they will not stand for it.

Mr. Woolliams: I remind the hon. member that many socialist countries do not allow strikes.

Mr. Benjamin: I now want to speak about what people do for their livelihood, whether they be farmers or labourers. I should like to encourage members to my right and across the way not to make speeches which continue the divide and rule principle which has been followed for so long by the old line parties.

● (2330)

Mr. Woolliams: You never do that in the NDP, of course.

Mr. Benjamin: It has not done very much to meet the situation which has existed for many years. I would remind the House that there are many members of the work force who are the sons and daughters of farmers. Farmers are fair people. They are not angry at workers. They are angry at a system which forces them into positions such as they have taken in recent weeks.

Mr. Woolliams: I always thought farmers were in favour of free enterprise.

Mr. Benjamin: The hon. member for Assiniboia, and the minister in charge of the Wheat Board want to know what we propose. The hon. member for Moose Jaw (Mr. Neil) is partly right when he says the official opposition need not propose anything because, after all, they have not been called upon to govern. That is a Conservative problem. I suspect it is difficult for them to find any proposals to make. May I suggest three or four things which, by the way, do not originate with me; they have been proposed by members of my party since the thirties.

Mr. Woolliams: The old Fabian philosophy.

Mr. Benjamin: To be specific, if you want genuine collective bargaining—

Mr. Woolliams: Wipe out free enterprise.

Mr. Benjamin: I know this is a bit like curling behind the glass because the dispute which encouraged this debate has now been settled, but for a future occasion the government might keep in mind that when the parties are bargaining and reach an impasse, it might be as well to exercise leadership and call for voluntary binding arbitration. This might have worked during the past week. For the future, in the case of the public service, of people who work in ports such as Vancouver, and who share a common interest, the government might suggest that the unions concerned should get together to see there was the same expiry date on contracts. This could avoid the problem of possible strikes every three weeks because a different union is involved.

Mr. Woolliams: Do you think they would agree to that?

Mr. Benjamin: Might I remind the House that this kind of leadership came first from the trade union movement. The longshoremen wanted this years ago but the government and employers did not move on it.

Mr. Woolliams: That is the Saskatchewan Wheat Pool.

Mr. Benjamin: The trade unions made that suggestion years ago, but it has never been taken up by the employers or by the government.

Mr. Woolliams: Or by the Saskatchewan Wheat Pool.

Mr. Benjamin: Well, if you can continue to divide the population you can rule them. You can say one thing in Ontario to working people if you are a member of the Conservative party, and something else to farmers.

Mr. Woolliams: You mean the NDP.

Mr. Benjamin: I have made no bones as to how I feel on this issue. The farmers of Regina-Lake Centre know how I stand.

Mr. Woolliams: You mean, how you sided.

Mr. Benjamin: They disagree with me at times but I think at least they have some respect for my position. They know where I stand. But when a Conservative goes into Regina-Lake Centre he talks about the terrible union fellows; when the same Conservative hits Hamilton he tells the workers how farmers get dry benefits and wet benefits at their expense. Even the newspapers do that sort of thing in their editorials.

Mr. Darling: Oh, come off it, Les.

Mr. Woolliams: This is what they call political morality.

Mr. Benjamin: This debate provides an opportunity for all of us to examine better and different ways of resolving these disputes, something we have all been worrying about.

Mr. Woolliams: You are in favour of strikes.

Mr. Benjamin: I have suggested one way. There is another idea I should like to put forward. We are not out of the woods yet. There are the grain weighers and samplers in Thunder Bay. They happen to be included in the general trades group of the Public Service Alliance. I think they should be classified under the Canadian Grains Commission.

If the grain weighers and samplers have fallen behind the longshoremen and the grain handlers the government could give leadership to include those groups in discus-

sions so that they could go to the government or the employers with a joint proposal. After all, these workers share a common interest. When a number of workers are doing substantially the same job and one group gets more than another, a problem is bound to arise, and this is an area where constructive proposals could be made by the people who sit on the Treasury Board.

Mr. Woolliams: What would you propose?

Mr. Benjamin: I am not particularly interested in what the hon. member for Calgary North wants to know about how I think or feel. I cannot care less about what he thinks or knows about what I feel, because I part company with him irrevocably about his 1890 attitudes and concepts. This is an opportunity, even if we go on until breakfast time, to come up with ideas and proposals which will substantially reduce the cost of strikes.

May I return to the point I made earlier and quote a world-famous historical figure.

An hon. Member: Is it Karl Marx?

● (2340)

Mr. Benjamin: In our thoughts about workers, employers, and fair pay for fair work, he was the gentleman who in 1853 said that labour is prior and superior to capital, and that without labour capital cannot function.

An hon. Member: Was that Abe Lincoln?

Mr. Benjamin: That is what he said the second time he ran for the Senate. I urge my hon. friend behind the curtain to read about Abraham Lincoln, who said that without labour capital cannot function.

If those of my hon. friends in this House really believe in the free enterprise system and want to make it function, they had better listen to someone like Abraham Lincoln. He was 100 years ahead of some of the members who sit in this House. Every time I listen to some of my friends in the Conservative and Liberal parties I feel they are trying to prove Karl Marx was right when he said capitalism will destroy itself. For 100 years in Canada both the Liberal and Conservative parties have been trying to prove that he was right. They still seem to think that the owners and proprietors of capital have the final and only say about how people shall earn their living. They do not even want to prevent a totalitarian system. Some of the remarks that I heard this evening could be attributed to Mussolini in the 1920's.

I know that some of my friends in the Conservative and Liberal parties in the House are as good or better democrats than I am, but let them be careful and think about what they say. Do not pay lip service to collective bargaining and the right to strike. Do not play upon the fears, worries and hardships of the farmers at the expense of the workers. This does not do any favour to any decent, civilized society.

Whether any of us win or lose elections is not the point. What counts is the contribution we make here to resolving our problems. At the rate we are going the difficulties we have had over the past few months are going to get worse,

but we have an opportunity tonight and over the next two or three weeks to take some action.

The government does not need to ask the members of the opposition what ideas they have because we have given them to the government lots of times. I am not saying we are 100 per cent right, no one is 100 per cent right—or wrong for that matter. I remind the hon. member for Skeena that she should get in touch with the leader of the Liberal party of Saskatchewan and get him to keep his big mouth shut in order to make a good contribution to the settlement of industrial strife in this country. That would be very helpful. You cannot have Liberals in Saskatchewan saying one thing and Liberals in Ottawa saying something else.

Mrs. Campagnolo: The Liberals in British Columbia are doing all right.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in view of the late hour and so as not to give too heavy a load to the employees of the House of Commons, I shall cut short the comments that I had intended to make during this debate.

However, I am convinced that the chair acted wisely this afternoon in allowing tonight's debate. First of all, this gave us the opportunity to witness an excellent procedural debate which was, in my opinion, most interesting, and which can inspire us in the future in a similar situation.

Despite the announcement that the conflict is settled, the chair allowed this debate to be held. This is evidence of the great freedom which exists in this institution. The President of the Treasury Board (Mr. Chrétien) is not in his seat, and I understand him, and still congratulate him for having settled the conflict. I hope that the settlement will not be temporary but lasting. I give him the credit he deserves because when the minister is not successful, he is charged with not having done his job. As he has been successful today, I believe that we should tell him to use the same formula to settle the other conflicts which exist in our country and greatly perturb our economy.

The official opposition, on the other hand, congratulates itself for having forced the government to act more quickly. I am convinced that the opposition is right because the role of members of Parliament is to be interested in all the problems and the whole administration of our country. In our institution, some members sit on the government side and others on the opposition side. I believe that every member, on whatever side he sits, if he does his job and is really interested in the affairs of his country, greatly helps the government administer the affairs of Canada.

I have always believed and I am ever more convinced, Mr. Speaker, that inflation is at the root of many ills in Canada, that it gives rise to work stoppages because the workers do not have a sufficient income to meet their commitments. So they ask for higher wages because prices have risen, and because prices have risen the workers again ask for better wages because the cost of living has gone up. I do not believe that this is a solution. If it were,

we would have solved our problems long ago. But one senses that the situation is worsening day by day. If one compares the figures provided by Statistics Canada on gross national product for the year 1974, in constant dollars, that represents $139 billion today, but in comparison with 1961 it is only $69 billion. That is a typical example of what inflation can do. That information comes from Statistics Canada.

● (2350)

Getting back directly to the motion, if the copy I have in my hand is correct, it reads: "The present work stoppages which have ended all grain shipments from Canada affecting grain deliveries to all foreign countries, creating increasing unemployment." I am convinced that is also true because all work stoppages check economic activity in several sectors. Industries feel the effects, layoffs increase, and automatically the whole economy of our country is affected. It goes on: "The loss of orders of grain and the grave potential for the loss of foreign grain customers generally."

I listened carefully earlier to the hon. member for Calgary North (Mr. Woolliams) who spoke strongly about the merits of western grain producers and their problems. I congratulate him on that, and I agree with what he said. I too admit that western grain producers contribute for a large part to the gross national product of this country, the increase in the standard of living of Canadians, and also to helping those countries which lack food and whose populations are starving. Thanks to our very productive soil and western grain producers Canada can afford to help developing countries so they can survive and continue to develop. In Canada, there is another area known as the east. Parliament must deal with the problems of western Canada; it has the duty to do so, but it must also be concerned about those of eastern Canada. In the east, there is now a conflict that affects the movement of feed grains towards the east, and which is of great concern to the producers of that area. I brought this situation to the attention of the Minister of Agriculture (Mr. Whelan) yesterday. I have received many telegrams. Here is one, among others:

Feed grain situation precarious—Limited quantities in Quebec elevators—Certain shortage within ten days unless blue-collar strike settled—Request immediate settlement.

In other words, those producers are asking their member of parliament to point out the problems to this House. That is what I am doing and I hope the ministers will take this situation into account. I therefore urge the President of the Treasury Board to use the same recipe that solved the conflict in Vancouver, that Canada's eastern producers not suffer too much from the conflict.

If grains are not brought in sufficient quantities to the elevators of eastern Canada, people will fight to get grain at any price; production costs are going to increase, which may easily drive pork producers out of business, resulting in the same kind of bankruptcies as last year or two years ago.

Madam Speaker, if I insisted on informing the House and the government of the kind of situation which prevails in eastern Canada, it is because it is directly related to what happens now in western Canada. And if a settlement was reached, I think the same efforts should be made to find a solution to the work stoppage which paralyzes grain movements before it is too late. I heard moments ago members saying with reason that problems are left to aggravate, thus making it difficult to solve them. I am perfectly aware that governing no longer is a sinecure today. It is not easy either, with the current spirit among people, with all those invitations, on the right and on the left, to demonstrate, sometimes with reason, but sometimes also unreasonably. People seem to be willing to demonstrate for demonstrating is sake, therefore upsetting managers and leading them really sometimes to wonder whether people are acting seriously or not. That is why it has become increasingly difficult to manage. Therefore, the government and Parliament must be much more careful than ever. They must always be on the look out for possible conflicts to try and locate them right from the beginning in order to bring in solutions before the situation gets worse. I think that is the way Canadians immagine the Canadian Parliament, trying to find means of avoiding the worst and solving problems which they could not avoid. I think this is the working pattern we should consider in Parliament, whatever party we belong to. Moments ago I heard the hon. member for Crowfoot (Mr. Horner) wondering about the silence of members who sit in this part of the House, Social Credit members. I shall tell him this: We cannot all talk together, we have to wait until we get the floor. He can be sure that we from eastern Canada are deeply concerned by all the problems occurring in the west, because we are interdependent in Parliament. We have the same responsibilities toward the people of the west as those in the east. Such is my position, this is how I have always seen things and I will continue to see them. I want mutual respect to exist both east and west.

Owing to the serious conditions and the meetings which eastern members have held in recent days with milk producers, we note that they seem dissatisfied and justly so, because production costs are increasing. They feel compelled to ask again the government to adjust the price of manufacturing milk at the level of production costs.

In my opinion, to avoid another problem, we shall have to take necessary measures to meet their demands. I am not one of those who are scared by threats and I have never been taken in by them. But it did not take me long at those meetings to realize that producers have serious problems they are unable to solve. They need the help of the government and they need it badly to know the contents of the new government policy which will take effect next April 1.

Having analysed with them the production costs, I think their demands of $11.60 per hundred weight are totally justified. At the same time, I should like to make a very practical proposal to the government, so as not to overburden consumers, low income families and workers who in most cases already have too much to pay.

There was once in Canada a policy of butter subsidy. I had that experience and benefited from it like other people my age. Well, if this policy was good then, I wonder why it should not be good now. Yet, such formulas must be used, so that some part of the population is not penalized at the expense of another. Producers and consumers will have to learn to live together and stop fighting and

accusing each other. They will have to get to understand one another better. Parliament will also have to assume its responsibilities and discover what is going on among the middlemen, in the big outfits, those we do not know but who are quite active, so as to find out how they can manage to fleece both the consumers and producers at the same time. Such is the function of government. I already talked about this and I say it again tonight: so long as we will not have the courage to go and see what is going on in that segment of our economy, we shall see problems getting worse, dissatisfied consumers, ill-paid producers, and a government embarrassed and uncertain about the course to take.

In my opinion, the government would be well advised to create a commission to examine what is going on in that sanctuary. Its members would not be appointed on a political basis, but would be qualified, honest, persons who would be able to go to the heart of problems and to report to the government. Members should then have enough courage to pass legislation to implement the reports produced.

● (0000)

[*English*]

The Acting Speaker (Mrs. Morin): The Parliamentary Secretary to the Minister of Transport (Mr. McIsaac).

Mr. Knowles (Winnipeg North Centre): Madam Speaker, may I rise on a point of order.

The Acting Speaker (Mrs. Morin): The hon. member for Winnipeg North Centre on a point of order.

An hon. Member: You are the only one in your party who could rise on a point of order.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I offer this with all the kindness I have in my heart. Would there be general agreement from here on that the speeches might be limited to 15 minutes?

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): There does not seem to be agreement. The Parliamentary Secretary to the Minister of Transport.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Madam Speaker, I shall try to comply with the wishes of my hon. friend. I was particularly interested, as I always am in a debate of this kind, in the remarks of the hon. member for Regina-Lake Centre (Mr. Benjamin). He spoke of the very lofty ideals he and all of us should have in a debate of this kind. I found his remarks a little interesting compared to the practices of the members of the New Democratic Party, both here and elsewhere. He was rather critical of both the official opposition and the government, and made charges that perhaps they have tried to divide the farmer and the labourer in the past. He made no mention of the fact that particularly in Saskatchewan they have attempted for many years to divide the east from the west, and to bring about any other divisiveness they could put their hands on. It was interesting to hear the hon. member skate around the facts and try to cover all the ground without really offending either side.

The hon. member did make one point when he said something to the effect that there is nothing new in the situation in which we find ourselves today. In that regard he is correct except that surely we, as parliamentarians and the people in this country, should have been able to learn something from the experiences of the various stoppages we have had to put up with through the years. I was very happy to hear of the settlement announced by the President of the Treasury Board (Mr. Chrétien) tonight. Apparently the strike has been settled.

An hon. Member: What about the next one?

Mr. McIsaac: The hon. member raises a very good point. The fact that we are here tonight debating a work stoppage in respect of the grain handling industry is not new. I believe there have been four or five such cases over the past few years. The hon. member who moved the motion said that there had been four cases in the past two or three years in which the Parliament of Canada had to intervene. There certainly have been four or five more occasions on which the Parliament of Canada might have intervened.

An hon. Member: Or should have intervened.

Mr. McIsaac: Yes, or should have. I should like to congratulate the President of the Treasury Board for the work he has done in bringing about this settlement. Collective bargaining is always a difficult process. Despite the fact that we have been involved in this for many years there is still much we have to learn about it. Collective bargaining is doubly difficult when the Government of Canada is the employer, particularly at a time when there is inflation in this country. Inflation certainly adds to the problems of both the workers and the employers, whether the employers be the government or other agencies.

As I have said, the President of the Treasury Board has obtained a settlement under the free collective bargaining process. I suppose the result of that process in this particular dispute might indicate to many people, both inside and outside this House, that the collective bargaining process is really working well. I say that would be an erroneous conclusion to draw in so far as at least these industrial disputes relate to the grain industry in this country. The collective bargaining process certainly has not served the Canadian grain industry well during the past few years.

There are about 160,000 to 170,000 farmers in western Canada, and many other people who are affected by the kind of disruption we have seen over the past six or eight months in the grain industry. These people have every respect for the right of the workers and employees to strike against their employers. They also appreciate the problems of the working man, whether he is working in the grain industry weighing grain in Vancouver or is loading boxcars on the prairies or anywhere else.

However, the question which must be asked sometime by the grain producer particularly, and by other Canadians whether or not they are directly involved in the production of grain, is when does the right of the worker come before the right of the producer to produce his product, put it on the market, obtain markets, and be

assured of future markets for his product? The farmer has a dozen and one things to contend with from the time he plants his crop until he gets it to market and receives a payment the amount of which he does not know. When does the right of the prairie farmer transcend the right in this case of 20 to 40 weighmen who have the right to strike? The farmer does not question this right.

I think this is one classic example, if we need any more, of the fact that we must immediately explore some better ways and means of resolving these disputes and differences before they reach the strike stage. The strike weapon where it directly involves only the employer and employee is very legitimate, and I certainly will defend that. Who knows, as someone said earlier, when we may have to be back here again in a week or two to deal with a similar situation in one of the many other possible disputes that could occur in the grain industry? I think we need to examine, explore and study very seriously some alternative methods to resolve these disputes before they get to the strike stage. Perhaps some special voluntary arbitration procedures could be implemented on a trial basis, as an example to try to see if we might be able to show the way in other industrial disputes.

● (0010)

Last weekend, at the Saskatchewan Association of Rural Municipalities Convention, western farmers attending the meeting said to me that they are prepared to support a national policy on energy where the taxpayers of Saskatchewan and Alberta, as the oil producing provinces, are receiving less than they would be if they were getting world prices for their resources. They are saying today that surely the rest of Canada should show them some consideration in trying to find a better solution to the disputes that have been so disruptive to the grain industry.

Mr. Nowlan: What about the pipes going on strike, Cliff?

Mr. McIsaac: I wish to conclude my remarks by reiterating my hope that next time we debate a similar issue—and I hope it does not happen soon—we will give more serious consideration to definite alternatives to the kind of situation that has kept us here until after twelve o'clock.

I might say, in answer to one point that was raised earlier in the debate as to what will happen from now on when the men return to work, that a contingency plan has been worked out by the Department of Transport in conjunction with the Canadian Wheat Board, the CNR, the CPR and the grains group to try to move grain as rapidly as possible.

I think the minister in charge of the Canadian Wheat Board mentioned that the Vancouver elevator operators will be asked to work extra shifts. The railroads are committed to supply cars as quickly as the elevators can unload the grain, and the railroads have committed over 3,000 cars per week.

Mr. Alexander: What is the incentive?

Mr. McIsaac: The incentive is that everybody associated with the grain industry is anxious to catch up, to get those ships loaded and to get the grain out. I think that is true whether they are grain handlers, grain weighers, railroaders or anybody else along the line. I think that we will see the co-operation that is required to bring about the maximum effort in that regard to catch up and to minimize the damage that has been done in the grain industry, which has actually paid most of the price for the disruption.

Mr. Cecil Smith (Churchill): Madam Speaker, the port of Churchill provides Manitoba with the unique distinction among the prairie provinces—

Mr. Baker (Grenville-Carleton): I rise on a point of order, Madam Speaker. I do not want to interrupt my colleague but I want the record to show that at this moment there are only three Liberal members in the House listening to this very important debate.

Mr. McIsaac: I rise on the same point of order. I would like to point out who the four Liberal members are. The fact is that there were considerably more Liberals in the House when this debate opened than there were members of the official opposition.

The Acting Speaker (Mrs. Morin): Order, please. This is not a point of order but a point for debate.

Mr. Smith (Churchill): Madam Speaker, I will start from the beginning again after that slight interruption. I would like to say that the port of Churchill provides Manitoba with a unique distinction among the prairie provinces because of its access to the sea. The port has a fine harbour protected from the open sea. There are 3,065 feet of wharf with five deep sea berths and one coastal berth. The deep sea berths and turning basin at present are a maximum of 30 feet deep, that is at low tide, with tides running 11 to 15 feet. The major product moved out of the port of Churchill to date has been grain.

Western grain has been shipped from the port of Churchill since 1931, but the full capacity of that port has never really been tested. Since 1931, which is 44 years, the port of Churchill has never been affected by a strike. I think that that is something of a milestone, for a port to operate for 44 years without a strike that would affect the handling of grain.

Although in areas adjacent to the port there are no farm producers, the farmers from Saskatchewan, Manitoba and Alberta certainly benefit from the port because it provides ready access to European markets. At present the port of Churchill has the facilities to handle some 5 million bushels of grain in storage. The actual potential for shipping out of Churchill is in the neighbourhood of 40 million bushels per shipping season. The shipping season in Churchill at present runs from about July 20 to October 20. We are concerned about getting grain out to the markets of the world, and it certainly seems that when we have such a port as Churchill which is only open for a limited time of the year, that is three months, we should be using this port to its full potential.

Some hon. Members: Hear, hear!

Mr. Smith (Churchill): At the end of the shipping season last year the Minister of Transport (Mr. Marchand) stated that another record year has been set for grain

shipments through the port of Churchill. The grain shipped from Churchill last year amounted to 22,737,422 bushels. That amount was shipped out of a port that has the potential to ship 40 million bushels. The facilities are there to ship that much grain. However, when I talk to the minister in charge of the Wheat Board and make a few suggestions as to how to bring the shipments up to 40 million bushels, I get the answer that all these things have been tried. I would like to suggest some very positive moves which could make this port a very important grain handling facility as well as a facility for other commodities produced by International Nickel Company, Sherritt Gordon, and so on, because grain shipments are not the only commodity to be considered with respect to the port of Churchill.

● (0020)

One thing that would improve shipments out of Churchill and bring it up to the 40 million bushels it is capable of handling is to co-ordinate the shipments out with the deliveries of grain arriving in Churchill. This means that as the trains arrive in Churchill, instead of having to offload this grain, put it in storage and then load it on to ships, it could be loaded directly on to the ships because the grain is not cleaned in Churchill; it is cleaned in Saskatoon before it is shipped north.

Churchill has a very short shipping season of three months and there have been as many as ten days during the shipping season without a ship in sight: then it is the problem of the Wheat Board, and there will be as many as eight or ten ships sitting in the harbour waiting to be loaded and the facilities can only handle three of the large ocean-going ships at one time. Under the present system, delivery of grain is taken from July 20 to October 20. I suggested that when the Wheat Board negotiates a contract with another country, this period should be shortened, and that if we sell five million bushels of grain to a country the date of delivery should be shortened to possibly July 20 to August 20. This would facilitate getting the ships into the harbour at the same time as the train arrivals.

In order to move 40 million bushels of grain to this very important port in Manitoba, we have to consider transportation. Only a portion of the railway system which runs from The Pas up to Thompson has been upgraded. At the present time, much of that railway is in a state of poor repair. This is causing many train wrecks, which costs the shipping industry a great many dollars. It cannot get the grain delivered to Churchill with only one railway running to that port. I would like to see at least a passing track installed between Gillam and Churchill. The Minister of Transport (Mr. Marchand) has said $20 million will be spent on the upgrading of the rail system to ensure that grain will be delivered. I just hate to think of a strike taking place at the port of Churchill.

Mr. Benjamin: It isn't open long enough to have a strike.

Mr. Smith (Churchill): If the hon. member knew where it was, he could speak about it; but he doesn't even know where it is. If a strike took place at the port of Churchill when ships were in the port, they could not move to another port and pick up another load. These ships would have to go back through the Hudson Bay and try to find somewhere else to load. I hate to think of the problem we would face in trying to encourage shipping companies to come to Churchill when in fact it was not known whether they could load. I propose that the storage facilities at Churchill be increased to meet the capacity of that port, which is 40 million bushels. This amount of grain should be stored at Churchill at all times. Then when we sold wheat to a country we could enter into a contract with a shipping company because we would know there were 40 million bushels stored there. It is a known fact that the storage facilities at Churchill are ideal because of the climatic conditions; there are no heat or humidity problems. Therefore, I propose that the capacity of the terminal be increased.

We read in the estimates for this year, and in the estimates of last year, that $12.5 million will be spent in Churchill over the next four years. That amount will cover nothing more than maintenance. This government is not interested in developing the port of Churchill.

Mr. Benjamin: Neither was the previous Conservative government.

Mr. Smith (Churchill): If the government was interested in developing the port of Churchill, it would be taking a much more positive approach to putting in facilities which would handle grain and other commodities to be shipped from the port.

Mr. Nowlan: On a point of order, Madam Speaker, I have heard my hon. colleague speak for many hours in the past about his interest in the port of Churchill. As I listen to this debate tonight, I look across the aisle at the vacant seats—

The Acting Speaker (Mrs. Morin): Order, please. The hon. member knows that this is not a valid point of order.

Mr. Nowlan: Madam Speaker, I have listened to the hon. member for Churchill. He has referred several times to the government, the cabinet and the treasury benches—and at this moment, for the last half-hour there has not been a member present there, including my hon. friend opposite who has just taken his seat.

The Acting Speaker (Mrs. Morin): Order, please. If the hon. member wishes to speak after the hon. member for Churchill (Mr. Smith), the Chair will recognize him then.

Mr. Smith (Churchill): Another thing which really concerns me about the port of Churchill, because of the short season, is that the season could be extended by at least another month if there were proper insurance coverage. Lloyd's of London will not extend insurance coverage after October 20. I believe that if the government were really interested in extending the shipping season in Churchill, it would provide some insurance coverage for the month following October 20 because this past year ships could still have left the port on November 9. With an extension of the ships that come into the port we could be looking at even more than 40 million bushels, but if we even met that target it would be a milestone in grain shipments out of the port of Churchill.

• (0030)

When I speak of the transportation and rail system, I refer to the rail system down in the Interlake part of the Churchill constituency. In an average year, the lines in the Arborg and Hodgson area carry somewhere in the area of five million bushels of grain. The Riverton and Gypsumville lines are protected from abandonment until the year 2000. The Arborg and Hodgson lines, however, are only protected until 1976, at which time the situation will be evaluated. This situation should be looked at closely because farmers in the area have no idea how they are going to get their grain to market after 1976 if the line is abandoned.

Some very active people at the port of Churchill and in the province of Manitoba, Alberta and Saskatchewan, in 1973 formed the Port Churchill Development Board to stimulate and develop two-way trade to the port. Their objective is to reduce the port's dependence on grain. We cannot seem to get the government to understand, although we have been trying for 30 years, that in Churchill we have a seaport in the middle of Canada that has not been utilized to its full capacity. The Port Churchill Development Board has the objective of encouraging the growth of other exports thus making this a viable inland seaport that should be used to its fullest capacity.

Let us keep the record clean and keep strikes out, Mr. Speaker. A record of 44 strikes a year is going to be hard to beat for any seaport.

[*Translation*]

Mr. Eudore Allard (Rimouski): Madam Speaker, I would like to contribute very briefly but sincerely to this debate to move some suggestions in order that the government finally take the necessary measures to avoid such conflicts.

Madam Speaker, the government has finally recognized the importance, not to say the emergency, of an intervention on that problem of prime importance for all Canadians. But once again, it reveals its total incapacity to apply the necessary measures.

We all know, Madam Speaker, that such a conflict causes considerable losses in the Canadian economy. I do not think it is useful to enumerate them all, since as the debate goes on, I realize that several members have discussed them. In the interest of all Canadians and for the welfare of Canada, the operations that have just started again, are certainly likely to remedy many shortcomings. Surely no member here this evening questions the fact that the strike of the blue collars has given rise to various troubles in the community. At this very moment, it is not difficult to realize that the conflict has had disastrous results. Who will again pay for the damages? The Canadian people.

I do not intend, Madam Speaker, to blame the poor workers involved in this conflict. On the contrary, we only have to blame our present economic system. The workers are at its mercy and are once again the victims to the same extent as raw milk producers in eastern Canada. Like the member for Bellechasse (Mr. Lambert), I want to be the spokesman of those producers facing production problems. I ask all eastern and western members to support the demands of those producers which seem to me quite justified under the circumstances.

Madam Speaker, it is not difficult to be convinced. I therefore urge all the members to consider honestly what is going on in our country. We will see strikes multiply at a frightening rate which, in the end, is not likely to alleviate dissension, strife and the causes of the inflation that is rampant across the country.

Madam Speaker, I think seriously that the government must take a stand to stop any dispute. They must also take valid means to avoid similar situations.

Furthermore, I agree that this is an extremely difficult problem and that it would be all the easier to accuse the government. But this will certainly not solve the problem because we have been the victims of an outdated system for many years.

The government must solve not only current strifes, but also put forward legislation to prevent similar occurrences. I will keep saying this.

We are moving in a vicious circle, where inflation forces workers to demand higher wages. If they don't get them, what do they do? Their only way out is to go on strike. We have a good example in current and menacing strikes.

I firmly believe the time has come for the government to take their responsibilities and endorse Social Credit policies. We are convinced that our solutions will promote closer cooperation between money capital and labour capital. It is truly important that we put a stop to the battles that have been going on between these two kinds of capital for a number of years. We feel they are getting more numerous and more serious all the time.

Before I conclude, I would offer this government two suggestions. The first one should foster better employer-employee relations. It is simply a policy or system under which workers would share in profits. This would ensure worker participation in Canadian business development. Surely, this solution will force its way through if we are to make full use of all our resources.

The second solution is the guaranteed income policy formulated by our party. This would be a tremendous step in the settlement of the problems we now face, because it would give workers higher income, without any cost push effect on prices.

I believe the time has come for the present government to listen to our party's suggestions and theories.

• (0040)

[*English*]

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, I congratulate the hon. member for Vancouver South (Mr. Fraser) for presenting his motion. The Canadian people are behind him on this issue. I find it strange that the President of the Treasury Board (Mr. Chrétien) is not present this evening. He is always asking the opposition for advice, and when we want to give it to him he has gone home to bed.

An hon. Member: That's where you should be.

Mr. McKenzie: The hon. member for Regina-Lake Centre (Mr. Benjamin) suggested that members of the

Conservative party speak with forked tongues and hot mouths. I assure him that we do not speak with forked tongues and hot mouths. The Conservative party is made up of farmers, small businessmen, railroad workers and people from all walks of life. I am a telephone man who belonged to unions.

Some hon. Members: Hear, hear!

Mr. McKenzie: My roommate was a railway worker who is concerned about unions. As I said, the Conservative party is concerned about people in all walks of life; it is not concerned about one special group only.

The record of the government following the July 8 election has been dismal. Clearly it has created a serious mess in west coast grain handling and there is every indication that the mess will remain, even though one strike was settled today. In 1973, when parliament was recalled to deal with the rail strike, I said that that dispute represented only the tip of the iceberg. The Perry report again confirmed that both present inflation and uncertainty about future inflation contributed to the breakdown in contract negotiations. The Trudeau government, which still lacks an effective policy to deal with inflation, has now fouled up prospects of a negotiated settlement on the west coast. Canadians who placed their trust in a majority Trudeau government are finding that trust betrayed in short order.

Strangely, neither the President of the Treasury Board nor the minister responsible for the Wheat Board talked about the reason for labour unrest in this country. The reason is double-digit inflation. They made it abundantly clear that they intend to do nothing to tackle the problem. So far they have done nothing. I ought to correct that; they have done a couple of things, one of them being the appointment of Beryl Plumptre to head a board which duplicates the work of the Department of Consumer and Corporate Affairs. That department, with a budget of $48 million and staff of 2,400 people, should be doing her job. A couple of weeks ago the board looked at inflation, but it did it by staying in $300-a-day hotel rooms, eating lobster and steak, and talking with businessmen. If that is how it is delving into inflation, it will not wash. The Canadian people will not accept it.

According to a recent Gallup poll, almost three times as many people say their opinion of the Prime Minister (Mr. Trudeau) has gone down as say it has gone up in the past three months. Thirty-six per cent say their opinion has gone down, but only 13 per cent say it has gone up. That shows why we were right in demanding this debate. If any Liberals doubt my word, let them come to my office and I will show them the kind of mail we are bombarded with from members of the public who are fed up with this government.

Mr. Carl Beigie, executive director of the C.D. Howe Research Institute in Montreal, says the federal government has been too concerned with short-term stop-gap policies and has placed too much emphasis on convincing the public that Canada is uniquely placed to survive the current economic crisis with relatively little pain. This government reminds me of Johnston and Johnston, and we all know who they were—

[Mr. McKenzie.]

The Acting Speaker (Mrs. Morin): Order, please. I remind the hon. member that the purpose of this debate is the discussion of a specific and important matter requiring urgent consideration, namely, the present work stoppages which have ended all grain shipments from Canada affecting grain deliveries to all foreign countries.

Mr. McKenzie: Madam Speaker, as I was saying, the source of our troubles is double-digit inflation. Until we solve that problem, strikes will continue. Mr. William A. Dimma, Dean of York University's Faculty of Administrative Studies, said, as reported in the Montreal *Gazette* of February 17, 1975:

> The damage done by severe inflation and the expectation that it will continue is evident.
>
> If it is prolonged, and especially if the wrong or no prescriptions are applied, it harms almost everyone.

The sort of labour unrest evident since September 30, when parliament convened, will continue until the government resolves the problem of double-digit inflation. We are not interested in the government's excuses. It always blames somebody else. As Mr. Dimma says, we shall see an increased frequency and severity of strikes and lock-outs. There will be an enormous weakening of capital markets. He explained the reasons for Canada's problems. Canada, in the eyes of the world, is like the horse's end—I will not use the appropriate word, but hon. members know what I mean.

Over a quarter of our exports move through the port of Vancouver, yet exports are curtailed because of strikes. In the first 33 weeks of the current crop year, grain shipping was shut down for 11 weeks. There have been only two occasions since August, 1973, when vessels have not been waiting to load at Vancouver. Those two occasions amounted to only 18 working days. As of March 10, 30 vessels had been waiting and 15,000 boxcars have been bunched up in the west, trying to get into the port. As of March 18, 33 vessels were waiting.

Even though a strike has been settled today, it will take weeks to clear the pile-up of boxcars on the prairies. Bangladesh has suffered and Japan cancelled an order. Buyers will not look to this country for more orders, because we are always on strike. Strikes affect every farmer in the west, and cost us millions of dollars.

● (0050)

Mr. G. L. Harrold, Chairman of the Wheat Board Advisory Committee and President of the Alberta Wheat Pool, says the Board may be forced to limit future sales through West Coast ports to 20 million bushels a month or less. The average movement in the past three years has been 30 million bushels a month. We have given a lot of business to Seattle since these strikes began. We have revitalized United States ports which have been dead for years. San Francisco is now very active in handling grain because we are always on strike. Although the western farmer is suffering, and although the Canadian economy is suffering because of the strikes, the Prime Minister on March 18 said he did not see the possibility of parliament being called upon to end the strikes as there was no urgency involved.

Mr. Goodale: That is not true. That is not what he said.

Mr. McKenzie: The news headlines describing what is going on make a laughing stock out of us. I will read one or two: "West Coast Ports Hit Again", "Strike Effects Go Very Deep", "West Ports Hit By Prevailing Labour Gales". Here is another: "Strikes Force Wheat Board to Discourage Grain Planting".

Mr. Goodale: That is untrue. The Board never said that.

Mr. McKenzie: All right. I suggest you challenge the Wheat Board then.

Mr. Goodale: I checked today. What you have just said is untrue.

Mr. McKenzie: Well then you should bring in a correction.

Mr. Towers: How much wheat have you raised?

Mr. McKenzie: I will read the statement. *The Financial Post* reported on March 15 that the Canadian Wheat Board told farmers to ignore former promises that the Board can sell everything they plant in the current crop year. If that statement is incorrect, the government should put out a statement in correction of it.

We are always being told by members on the government side that the opposition has nothing concrete to offer. I should like to read the suggestions we put forward during the last election.

For several years Canadians, we said, have watched with growing concern and disappointment the emergence of four areas of colossal policy failure by the government with respect to the world of work. These failures have caused much unnecessary personal anxiety for thousands of working men and women, have generated widespread frustration and anger, and have stirred considerable social unrest. That is the understatement of the century.

Perhaps the most glaring failure has been the failure to provide adequate job opportunities for those who want and need employment. The inability of the economy to absorb as active members of the labour force the large numbers of young people graduating from our high schools, universities and technical schools is one example. Another is the inability of ordinary Canadians in most parts of the country to get jobs when they want them.

One glaring example of policy failure by the government relates to somewhat questionable approaches to collective bargaining nurtured over the last several years. The strike and lock-out remain by and large legitimate and necessary tools for the effective functioning of the collective bargaining process and for meaningful labour management relations, but there are numerous cases where both parties, as well as the public in general, have been the losers.

I do not have the time to cover all of these areas but I will outline the major ones. We would see that the rights of members of unions to receive audited financial statements are guaranteed by law. We would review the law relating to the abuse of positions of trust with a view to reinforcing the safeguards. The Progressive Conservative Party feels it is desirable, wherever possible, to promote more unity, co-operation and commonality of interest between labour and management. We advocate efforts to promote the diffusion of ownership among workers and salaried employees of Canadian companies. We do not believe in confrontation. We believe in constant consultation and this is what has been lacking.

The Progressive Conservative Party would consult with labour and management organizations to formulate a comprehensive strategy toward this end. Such strategy might include responsible tax incentives for profit-sharing schemes, worker participation in plant management, and employee stock ownership financing which would help spread ownership among most or all of the employees.

Also, the Conservative Party favours more regular review of federal labour legislation relating to minimum wages and hours of work. The object must be to ensure that these are at all times sufficiently in the interest of the working man or woman. A Progressive Conservative government would also establish an independent national human rights commission. The function of this commission would be to deal with the whole range of individual rights in every field under the jurisdiction of the federal government, including the federal public service. Also, we must consider safeguarding the public interest. Experience in recent years has shown that there are certain key industries and certain aspects of particular services where the use of a strike or lock-out has made the public a pawn in labour-management differences. This is what concerns the Canadian public.

Being critical of the Liberal government is the easiest thing, I find, since I came down here. I hope tonight I have shown that it is equally possible to put forward constructive suggestions, because the government has proved itself to be bankrupt of ideas. It does not know what to do and it is asking us to come forward with suggestions. I have offered a few and I hope they will be heeded.

Mr. Goodale: On a point of order, the hon. member made extensive reference to a newspaper report which allegedly said the Wheat Board had suggested that as a result of this dispute production was to be discouraged. If the hon. member would check the source, he would find—

Some hon. Members: Order!

The Acting Speaker (Mrs. Morin): That is not a point of order. It is a point of debate.

● (0100)

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, first I want to congratulate my colleague the hon. member for Vancouver South (Mr. Fraser), for introducing this very important matter. The parameters of the problem to which we are addressing ourselves tonight were set forth in terms of the number of ships that were waiting to load grain, the number of shipping days that were lost, the back shipments that are overdue, as well as in terms of our credibility with our customers. These countries have purchased one million tons of grain, and they will think twice about further purchases of grain from this country.

I do not think there is really any doubt in the mind of any member of the House that what we are dealing with is truly in the national interest, not only in relation to grain but in terms of the continued operation and good faith of

one of the most important commodity operations in this country and the world.

I think two of the strongest speeches made tonight about the failures of the government were made by the hon. member for Assiniboia (Mr. Goodale) and the hon. member for Battleford-Kindersley (Mr. McIsaac). Let me just repeat what the hon. member for Assiniboia said. He said that he thought there ought to be a national conference or gathering to bring together the people concerned in all aspects of the grain trade.

I think we can expand that far beyond the grain trade in terms of labour relations. We can expand it into other areas of commerce and industry that are important to this country, and upon which we depend. I congratulate him for saying that, because the government that he supports, which has been in office since 1963, and which goes to the opposition for alternatives without producing any itself, has had the opportunity to take the kind of action he suggests, but not once has it done so.

The hon. member for Battleford-Kindersley also made a fine speech. He recognized the difficulty his own party has placed him in so far as his constituents and his province are concerned. In his eloquent way he made the same condemnation of lack of action by the government since it came to office in 1963.

In addition to speaking in the House of Commons for the record, I should also like these two members to go to caucus next Wednesday and speak to their colleagues in exactly the same terms. The hon. member for Skeena (Mrs. Campagnolo), I thought, made a very forceful speech, and perhaps put the situation best of all in terms of breadth when she talked about other industries. I should like her to go to the Liberal caucus next week and make the same speech. I should like her to make the absent members from the treasury benches tonight, and the 100 odd absent members of the government, listen to her. I assume that if they do not come to the House for important debates they must at least attend caucus, so I think those speeches should be made there as well.

I listened very carefully to the Minister of Justice (Mr. Lang) and the President of the Treasury Board (Mr. Chrétien) who spoke tonight, and waited for some of the alternatives which they have asked of the opposition. But why do they not produce alternatives during the course of the debate? The people of Canada gave this government a mandate on July 8. I do not begrudge it the mandate, though I wish it were otherwise. But they did not give the government a mandate to ask the opposition what to do about the problems of this country; the people of Canada were looking to the government to lead and to offer alternatives; they looked to the government to heal the wounds, to give leadership and to inspire Canadians.

Unfortunately the government has a majority but is in relative shambles. If there is one place where we are going to witness lack of leadership in Canada in 1975 and 1976, it is in the very vexing field of employer-employee relations. I do not want to speak about the general labour market, but I do want to say something about the public service of this country. I respect the right to strike, though I hope it will always be used in a responsible way. But I also think we should look to the national interest from time to time and, as the President of the Treasury Board said, there is a time for judgment. He said that in his opinion the time for judgment with respect to the grain trade had not come.

I say to him that he was wrong, that he exercised that judgment improperly. That is not to say that the issue is not important. The farmers and the people who depend on the grain trade decided a long time ago that the matter was in the national interest.

The minister asked for alternatives, and I should like to tell him about what I would like to see in regard to public service bargaining. I should like to see a widening of bargaining rights in this country, of the fields in which public servants can bargain, and of the matters about which they can bargain. It is important to establish, or perhaps re-establish, good faith in the public service between employers and employees. That was the purpose of the Finkelman report, but I do not think that is in existence. If the government members of that commission were to move in that direction, then I think we would be opening the door to the beginning of industrial peace and trust in this country.

● (0110)

The second thing we ought to do is re-establish the pay research bureau. It was a very good thing and it could take an independent look at pay structures and the whole matter of comparability. All the evidence placed before that bureau ought to be laid on the table so that all parties, including the public, could see what the case is. This is not the case now. If anything came out of the Finkelman report, it is the fact that this has not been done but ought to be done.

I think we have to take a hard look at the whole concept of industrial democracy in the private sector so that trust can be built up and perhaps transcend itself—if that is the correct phrase—into the public sector. We ought to strive for that in the committee. Government members, particularly, ought not to limit the debate, limit the thrust of that committee or dampen down the areas we can discuss but should, rather, widen them so we can build into the public service side the real, consultative procedures which are not now there. The rudiments are there, but in terms of good, sound consultative procedures they are not there.

We ought to explore the whole question of a public interest disputes commission. Part of the problem in respect of labour relations in Canada, in the public or private sector, is that there is no machinery anywhere to examine a contract while it is in force or to deal with problems that arise from time to time while a contract is running and isolate the problems before the contract expires. In this way negotiation would be limited and the beds sores that come during a period of conflict would be eliminated. We need that kind of consultative procedure in this country. We also need bargaining procedures in both the public and private sectors. We need bargaining procedures that are swift and responsive so the frustrations that come in the course of time do not build up and attitudes do not harden. The minister asked for some suggestions, and those are a few I offer in the short time I have to deal with this matter.

I am a little concerned about what the Minister of Justice (Mr. Lang) has said. I thought one aspect of his speech set a very high tone in respect of what we look for

in this country, but I thought another part of his speech was the most cynical thing I have heard since coming to this House in 1972. He said that opposition members in this House, and I presume he meant a number of them, had sad faces because this distressing dispute was over.

An hon. Member: That's right.

Mr. Baker (Grenville-Carleton): I think that is dreadful.

An hon. Member: It is true; look around you.

Mr. Baker (Grenville-Carleton): I think it is a shameful statement coming from a minister of the Crown whose government is charged with the basic responsibility for bringing some form of industrial peace to this country.

The hon. member for Winnipeg South Centre (Mr. McKenzie) said that we could set up all the machinery we wanted, have all the good faith we could get and build everything into the system that man could devise, but unless we are prepared in this country to tackle the problem that is causing some of our difficulties, namely, the fear in organized labour, public servants and people on fixed incomes that their incomes will just not keep up with the cost of living, there will never be any real industrial peace in this country.

Members of the government wanted an alternative, something different. They should look inward and ask themselves whether in this year, 1975, they are really tackling the problem of inflation which is eating the heart out of our economy and causing distress to many groups, setting one group of Canadians against another in a "dog eat dog" attitude. That is the problem we have to fight in this country: That is the problem the people of Canada charge this government to solve.

I will not have a sad face if this government solves the problem. I would be a very happy Canadian and a very happy member of parliament to serve in the opposition or otherwise if we had a government that produced a solution to this problem instead of vagueness, consensus and ministers running off in all directions. The Canadian people and this opposition ask more of this government. We charge the government with the responsibility of delivering solutions to our problems. So far, this government has failed to do that—and that is at the heart of our problem. I hope the members of the Liberal Party who have sat through this debate will take that message to their caucus.

An hon. Member: We don't need your advice.

Mr. Baker (Grenville-Carleton): Please do not come to this House again asking the opposition what it would do. The Canadian people are asking this government what it will do. That is the question in the minds of members on all sides of the House. That is the question being asked by the men and women of this country—the homemakers, the people who are beginning employment, the people who want to own homes and the people who want industrial peace. That is the challenge to this government, and I will support—as will my party—any reasonable effort by this government to meet that challenge. Thus far, the government has not shown that it is equal to the job.

Mr. MacFarlane: I should just like to bring to the attention of the House that under our rules not more than one matter can be discussed under the same motion, and I think there is a definite objective on the part of hon. members opposite to broaden this debate.

Some hon. Members: Oh, oh!

Mr. Arnold Malone (Battle River): Mr. Speaker, one of the most perplexing things to try to figure out in this House is how to understand a Liberal government. Their members get up in the House and suggest that members of the opposition complain but never come up with any suggestions. Just now, when the hon. member for Grenville-Carleton (Mr. Baker) made a number of suggestions, hon. members said they were not interested in hearing them—and I think that describes the attitude of hon. members opposite tonight.

● (0120)

At this hour, 20 minutes after one o'clock in the morning, I think it is interesting to point out that the Liberals said this issue is not in the national interest. I think if we are to be positive and constructive in respect of the government we have to concede that it believes it is not in the national interest. It would seem that the government does believes this because the Prime Minister (Mr. Trudeau) never once showed up for this debate. The President of the Treasury Board (Mr. Chrétien) came for his speech and then left. The minister in charge of the Canadian Wheat Board (Mr. Lang) did not remain here except for a few minutes. The Minister of Agriculture (Mr. Whelan) was never here once.

Tonight I will document some information to show that this is a very important issue in terms of the national interest. Throughout the debates in recent days we have heard that collective bargaining is a right. I will not deny that is so. However, we also must bear in mind that this society has no such a thing as rights in isolation. A right is a concept that is co-related and interwoven with responsibility.

When we look at the broad spectrum of our society we note that many aspects to which we claim rights also have clearly defined responsibilities. First, if we have the right to drive a car we have the responsibility to be licensed and the responsibility to drive on the correct side of the road. We have the right to breathe air; but have the responsibility not to pollute it. But let us look at what the Liberals have been telling us. They speak about the right to strike regardless of whether or not any responsibility is being shown. Let me give an example. In answer to a question by the hon. member for Lisgar (Mr. Murta) the Prime Minister replied in part:

> The answer really lies at which point the public interest becomes overwhelming and should overwhelm the basic democratic right to strike which has been given by parliament to the workers of this nation.

Then on March 18, as recorded at page 4195 of *Hansard*, in answer to a question by the hon. member for Vancouver South, the President of the Treasury Board replied in part as follows:

Mr. Speaker, I said previously and I will repeat that those employees have the right to strike, and we respect that right to strike. The House has not indicated to me that we should withdraw the right to strike.

There is no mention of a parallel set of responsibilities. Then at page 4199 of *Hansard* for March 18, in reply to a question of mine, the Minister of Labour (Mr. Munro) said:

This is a dispute situation. In a dispute situation such as this, we could not get into the question of assessing liability on innocent third parties. That is an inevitable result when you have the right to strike.

One would gather from the Minister of Labour that damage irrespective of amount is simply a part of labour-management negotiations. When the leader of this party asked the Acting Prime Minister (Mr. Sharp) a question on March 7, 1975, as recorded at page 3879 of *Hansard*, he replied:

It is the law of this country that people do have the right to strike.

As a thesis to my case I wish to point out that there are no rights in this country without parallel sets of responsibilities. We might refer to the Canadian Bill of Rights which lays down the basic rights for people. It talks about rights such as freedom of speech, freedom of religion and freedom of the press. We know in fact that none of those rights exist without responsibilities. In the second paragraph of the Canadian Bill of Rights we find this:

Affirming also that men and institutions remain free only when freedom is founded upon respect for moral and spiritual values and the rule of law;

When we take a look at the question of spiritual and moral laws I challenge this government, when the largest ship ever to go to the port of Vancouver is stranded at that port waiting to take grain destined for Bangladesh, to show where its sense of moral and spiritual law is.

I challenge members of the government to come forward and say what their mores are when they say this is not in the national interest. They take this position despite the fact that 12,000 people a day are dying of starvation or malnutrition. One must ask where is the moral obligation of this government when only 40 people can hold up the grain industry. Yet they have the audacity to talk about the rights of labour and management. Have we once heard these members opposite talk about the result in respect of third parties? Who is looking after the farmers who, in every instance, end up paying at least part of the shot and who, by their very nature, are prevented from being able to strike in order to retain some of the benefits for themselves?

This evening we heard a speech by the minister in charge of the Canadian Wheat Board. All I could conclude when the minister finished his speech was that I had never witnessed a greater example of an abortion created on the western farmers than by the Minister of Justice. The President of the Treasury Board referred to this debate tonight as a little strike. I dare him to go to the constituencies of western Canada and refer to this as a little strike.

I think the Liberal Party could be well known as an animal called the cheeta in respect of the western farm people because members of that party have shown their callousness in respect of this issue where it concerns the people who are in need of the production we can produce. I should like to document how serious the situation has been to the prairie farmer and how insensitive the present government has been. While I hear echoes from the other side I shall document how serious this is.

The government has cheated the farmer for the last couple of years in relation to the port of Vancouver. Let us deal first from the start of the crop year commencing with the week of July 28 to August 3, 1974. At that time we had the west coast grain handlers' strike which started on May 19, 1974. Let us go to the second week, the week of August 4 to August 10. The west coast grain handlers' strike continued and the Great Lakes lake operators strike started on August 8, 1974. In that same week there was a CNR derailment and the Albreda sub-line was closed on August 6.

Let us go to the week of August 11 to August 17. The west coast grain handlers' strike is on. The Great Lake operators strike continues, and there is another train derailment of the CNR at mile 25.1 at the Yale substation.

● (0130)

Let us move on to the fourth week of the crop year from August 18 to 24. The labour strike of the west coast grain handlers is continuing under work to rule. The Great Lake operators strike continues, and there is a derailment of trains on the CPR at mile 13.4, Mountain substation. The main line was closed on August 18. Let us move on to the fifth week of the crop year. The west coast grain handlers strike is still in effect. The Great Lake operators strike continues, and there are two more derailments, one on the CNR and one on the CPR.

Let us now consider the sixth week from September 1 to 7. Here again we have the west coast grain handlers strike, the Great Lake operators strike, and another derailment of CPR on mile 38.3 at Mountain substation on September 1, 1974. Let us go on to the seventh week of the crop year from September 8 to 14. We have the west coast grain handlers strike continuing, the Great Lakes operators strike continuing, and three train derailments, the CNR derailment at mile 120.5 at the Ashcroft substation, the CNR derailment at mile 64.6 at the Fraser substation, and the CNR derailment at mile 64.6 at the Fraser substation at Prince Rupert.

Now let us review the eighth week of the crop year from September 15 to 21. The west coast grain handlers strike continues, the Great Lakes operators strike continues. That takes us to the ninth week of the crop year from September 22 to 28 when the west coast grain handlers strike continues, and the Great Lakes operators strike continues. Let us move on to the tenth week from September 29 to October 5 when the west coast handlers strike continues, the Great Lakes operators strike continues and there are two derailments, the CNR derailment at mile 38.4 at the Skeena substation at Prince Rupert and the CPR derailment at mile 104.3 at Mountain substation.

In the eleventh week of the crop year the west coast grain handlers strike ended on October 10, 1974. Then we move on to the twelfth and thirteenth weeks and, whoopee poo, there are two whole weeks in which all the unions are working and, miraculously, not a single derailment takes place.

But lest the Grits become too happy, let us move on to the fourteenth week, from October 27 to November 2,

when the west coast grain inspectors did not report to work, at Thunder Bay the government inspectors did not report to work either, and there was a derailment of the CNR at mile 81.1 at the Albreda substation. In the fifteenth week all unions were working.

In the sixteenth week again all unions were working and, lest the Grits become too happy let us remind them that a derailment of the CPR took place in that week. However, that is the end of the joy, and certainly the Liberals deserve no credit for it because on the seventeenth week from November 17 to 23 the west coast, Thunder Bay and government grain inspectors strike is in effect. Also, the British Columbia railroad shop craft strike is on, there is a CPR derailment at mile 68.9 at the Windermere substation, a CPR derailment at mile 105.6 at the Cascade substation, and a CPR derailment at the Rossland substation which was closed on November 25.

Let us move on to the eighteenth week of the crop year from November 24 to 30. The west coast and Thunder Bay government grain inspectors strike is on. The west coast and interior government grain inspectors returned to work at 12 noon on December 5, 1974, and the Thunder Bay government inspectors returned to work on December 5, 1974. We now have tremendous joy so far as the Liberals are concerned, despite the fact that they had nothing to do with it. There were three weeks in which all unions were working.

This is a terrible history of strikes and derailments all of which effect the farmer. Then, on the twenty-fourth week from January 5 to 11, the British Columbia railroad shop craft returned to work, but there is a derailment of the CPR at Revelstoke, B.C. We find that when we consider the thirty-six weeks, including the present week, that in almost none of that time was there any smooth delivery of grain in this country.

It is about time that we laid the record straight and began to understand what farming is. Farming is not a life style, it is not a way of life. Farming is the production of food, the most essential of industries, the most essential of all businesses. Yet, despite the fact that food is required to maintain life, the government has not done anything constructive to encourage the shipping of grain to market at a time when, if we could hypothetically distribute food around the world, we would not have enough protein to go around. The situation is extremely critical, and it is high time that we put all our efforts into attempting to get grain to market faster.

We heard the hon. member for Skeena (Mrs. Campagnolo) say tonight that farmers are not the only Canadians, and she challenged the prairie farmers' representatives here in parliament not to make such an issue about farm people. I also concede that farmers are not the only people, but I darn well claim that they are people and their rights are at least equal to those of other people. When we take a look at what has been happening in the grain movement, starting in May of last year, we find that in total there have only been eleven weeks of free movement of grain in this country. I say that there is not another industry in Canada which could operate year after year under the insensitive kind of policies which the government sets with regard to the agricultural industry.

It is important to set the record straight. The strikes that were taking place recently were supposedly rotating strikes. Yet, what did we witness on the west coast at the port of Vancouver? The only strikes that were continuous and not being rotated were those that were affecting the grain industry. Labour organizations were once again putting on the pressure where they knew it hurts. I think it is time we heard not just speeches from the government in which it talks about the right to strike but speeches about the rights of all Canadians, whether they be farmers, labour organizations or people in management. All rights go with responsibilities, and rights and responsibilities should not be separated. A right is something that is earned. Those who practice rights, irrespective of whether or not people die as a result, and irrespective of whether or not agriculture survives, should expect those rights to be challenged.

The question is whether or not we should be allowed to practice the right to strike when the national interest is at stake. What we hear from the Prime Minister, the Minister of Labour, and the President of the Treasury Board is that despite the fact that agriculture has been disrupted for almost two solid years, this is not a national issue.

● (0140)

I know of no hypocrisy greater than singling out within a nation a group of people, who are important both in terms of numbers and in what they produce, and then turn a blind eye to them and say that we do not care about their interests because we are protecting the interests of labour and management. It is high time that we lent full consideration to the damage inflicted upon innocent third parties.

I have made the following statement in this House before, and I will make it again tonight, that I believe there are legal grounds for farm organizations in this country to sue with regard to demurrage charges laid upon them due to strikes this past year at the port of Vancouver. I know of no business principle which allows two parties to negotiate and incur an expense and then charge that expense to a third party, yet that is what has happened at the port of Vancouver. We witnessed labour and management causing ships to be held up in port incurring an expense of at least $17 million—and there are estimates that it may be well over $50 million—and the full amount will be borne by the western Canadian farmer.

I think that that is such a shame that it should be tested in our courts because there are no precedents whereby two parties can incur an expense and charge that expense to a third party. I think that anyone who is closely observing the labour-management disputes is witnessing many kinds of illegal activity. It is on that basis that I think there is still a tremendous amount to be done in terms of setting up programs to alleviate these labour disputes which are so drastically affecting prairie farmers and subsequently our world markets.

There have been only two occasions since August of 1973 when vessels have not been waiting to load in Vancouver, and those two occasions amounted to only 18 working days. As of March 10 of this year, 30 vessels have been waiting and 15,000 boxcars from the west are bunched up at the port of Vancouver, and so we see, Mr. Speaker—

Grain Shipments

The Acting Speaker (Mr. Penner): Order, please. I regret to interrupt the hon. member, but the time allotted to him for this debate has now expired. The hon. member for Carleton-Charlotte (Mr. McCain).

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the fact that the President of the Treasury Board (Mr. Chrétien) could announce in the House tonight in a rather hilarious way that a settlement may have been reached in connection with the problems which have been plaguing the grain industry does not in any way change the relevance of this motion tonight. It does not preclude an emergency debate on a point of national interest now or at any future time in this House.

It has been my privilege to have been in a house of government for a little more than 20 years of my life, and as yet I have never seen the treasury benches abandoned in total as the Liberal government has abandoned its benches tonight.

Some hon. Members: Shame!

Mr. McCain: I have never seen a group of people who cared so little for the public as the treasury benches of the Liberal government in 1975. They are a disgrace to the democratic system by any measurement which might be applied, and hon. members opposite, who sit there like a bunch of idle servants, should certainly tell them where they stand tomorrow. They have abused the very principles which are the responsibility of elected democratic representatives, particularly those who are willing to assume by appointment the responsibility for a cabinet position.

Let us consider the movement of grain in the Dominion of Canada in the last three years. Did hon. members opposite know that in the first quarter of 1972 we did not move as much grain as we did in the first quarter of 1971? Did they know that in the second quarter of 1972 we did not move as much grain as we did in the first quarter of 1971? Did they know that in the third quarter of 1972 we moved 15 million bushels less than in the third quarter of 1971? I could go on. In the fourth quarter of 1972 we did pretty well. There was good shipment. But let us go back again to 1973. The market was picking up, and there was a demand. We find that in the first quarter of 1973 we did not ship as much as we did in the first quarter of 1971. In the second quarter of 1973 we did not ship as much as we did in 1971. In the third quarter of 1973 we did not do as well as well as we did in 1971. The first three quarters of 1974 were the worst of all.

Any Liberal member who has been responsible enough to get himself elected to the House of Commons must share some of the responsibility, whether he sits on the backbenches or the frontbenches, for a deplorable state of transportation, labour problems, and disorganization which this government has perpetrated in the name of a majority or a minority government.

An hon. Member: What about the just society?

Mr. McCain: The just society has deteriorated to the disordered society. I submit that the government for over three years has been playing the game of economic brinkmanship, and playing it quite successfully while all of Canada suffers.

One speaker had the temerity today to say that there would be just a little area affected and just a few people. There is a Liberal member to the right of the Chair who represents part of an agricultural area, and I represent another part of the same area. There are roughly 60,000 people there. If agriculture were tied up in that little community in New Brunswick as western agriculture has been tied up in part or in full for three years, 80 per cent of those people would find themselves with a deteriorating standard of living. Directly or indirectly 80 per cent of those 60,000 people living in the potato belt of New Brunswick are dependent, in full or in part, upon the agricultural industry. That is how people are affected, and that is how the public interest and the national interest has been neglected.

I am surprised that the hon. member for Hamilton Mountain (Mr. MacFarlane), who has spent so much time in New Brunswick, is so jovial. If he had any concern for people at all he would be less than happy about the fact that some 48,000 could have their lives driven downhill by the kind of irresponsible neglectful government which we have been witnessing.

We have been told that we are not dealing with very much money and that we are talking in terms of 1.4 per cent of the budget. Those were the remarks of the President of the Treasury Board (Mr. Chrétien) tonight. Mr. Speaker, 1.4 per cent of the Treasury Board budget is $375 million to $390 million of the taxpayers' money. That was a big joke to the minister but it is not a joke to the taxpayer.

● (0150)

Let us see what this has done to the Atlantic area. People from the Atlantic provinces made representations before the Standing Committee on Agriculture and were assured that there would not be another grain emergency in the east; that grain would be stored there. Mr. Speaker, the amount that would have been stored in the east for emergency purposes might have lasted two weeks. The grain was stored in Halifax and then the rules were changed. This grain was supposed to be available to feeders in the Atlantic area at competitive prices; but in the present emergency, when we inquired about drawing from the storage in Halifax we found that we could only borrow from the Wheat Board. The grain has to be replaced with the same grade that has been withdrawn and the borrower has to pay the extra freight to get it to his farm. I submit that the Minister of Agriculture (Mr. Whelan) and all those who are associated with the selling and moving of grain have acted in a traitorous way in respect of the promises made to that area in case of another crisis in grain.

As of today, the maritime express service is 45 cars behind in New Brunswick and hour by hour the number is increasing. Hon. members opposite may say this is of no consequence to Canada as a whole. Maybe the Atlantic area does not count, but I say to the hon. member who left the Atlantic area that we have been abandoned by the government which he now supports. We should be able to look for a little help to a man as familiar with the requirements of the Atlantic area as he should be.

I have not heard of any reply being sent to the wire from the chairman of the transportation committee of the Atlantic division of the Canadian Feed Manufacturers Association. It was sent to three members of the empty treasury benches but so far there has not been any alleviation of the problem. I submit that this is of national interest when it concerns people from Vancouver to Halifax.

Mr. Speaker, I congratulate the hon. member who introduced this motion. I see no reason why anyone should withdraw when grain movements have been deteriorating in four consecutive shipping seasons. For the second time in 18 months, the Atlantic area food industry is so short of supplies that it is using such materials as it can get, and this is clogging the handling equipment associated with the manufacture of food. The settlement today is in the best interests of Canada, but the pattern of the past bodes evil for the future. It is time that Liberals, and not just the rest of Canada, took this situation seriously.

Mr. Dean Whiteway (Selkirk): Mr. Speaker, look at the government forces lined up for battle, shoulder to shoulder, obviously keen for the debate at hand. My hon. friend's tongue is flapping around more than a dozen fish with fins out of water. A few moments ago he made some reference to baby seals: we know what little baby seals grow up to be—Liberal backbenchers.

Mr. MacFarlane: I won't make any reference to your ancestors.

Mr. Whiteway: We know now why the Prime Minister (Mr. Trudeau) is building a swimming pool—so that he can have a home-training program for backbenchers. I wish they were half as active on their feet as they are on their rumps. Earlier in the debate the President of the Treasury Board (Mr. Chrétien) made reference to "that little strike". If it is a little strike in his opinion, that reflects his little understanding of what it has meant to the west.

In the last election campaign we heard a great deal about leadership, and earlier this evening the Minister of Justice (Mr. Lang), with a self-righteous attitude, talked about the challenge to hon. members on this side to be constructive. He also talked about the problems of strikes. One of my colleagues suggested to the government that they should adopt our long-standing policy for a public interest disputes board. To my knowledge, this government has never brought to this House or discussed the two-factor theory or the superposed economy. An hon. member asks, "What"? He has never heard of it. But there are new and innovative ways, Mr. Speaker, and we have talked about them in this House.

The Acting Speaker (Mr. Penner): Order, please. The Parliamentary Secretary to the Minister of Transport (Mr. McIsaac) on a point of order.

Mr. McIsaac: Mr. Speaker, is the hon. member speaking on tomorrow's debate, or is he speaking on a point of order? What subject is he trying to deal with? He has not said anything in relation to the motion and that is true of several of the speakers opposite.

An hon. Member: That is for the Speaker to decide.

Mr. McIsaac: I am making that point.

Mr. O'Sullivan: Trying to control the Tories?

Mr. McIsaac: I am asking the Speaker if he has heard anything relevant to the motion?

Mr. Whiteway: You see, Mr. Speaker, the little fish bite before the hook is even baited. Hon. members opposite have waited during 12 years of Liberal administration to get a policy on strikes. If they will just hold on for just another 15 minutes, maybe they will get something from me. The Minister of Justice continually offers the solution of "identifying the problem". We do not need great expositions of identifying and explaining and expounding the problem: we want the government to provide what it promised in the election campaign—that is, some kind of leadership.

● (0200)

I now want to talk about the right of people in this world to live. One week from today 200,000 Canadians will participate in the World Vision program. They will contribute $1 million for grain, which is to be sent to Bangledesh, the Sahalian area, Ethiopia, Cambodia, and so on. Current labour disputes resulting in ships being tied up mean than the possibility of shipping food from the west coast is non-existent. One million pounds of food other than grain cannot be shipped because of labour disputes. There is a backlog in shipments.

The Minister of Justice asked the opposition to suggest alternatives and solutions. We are suggesting them, but he is not present to listen. Let me tell him that some farmers are persuaded it is their moral duty to grow cereal grains. They are interested not so much in economic gain as in feeding the hungry peoples of the world. Their work is impeded by programs like LIFT and lack of government leadership which results in labour disputes.

The Japanese cancelled an order and prefer to buy from the United States. Unless the government resolves labour disputes and allows for free, predictable, and easy grain movements, this country's economy will suffer and aid efforts will be fruitless.

The Minister of Justice asked the opposition to suggest alternatives. He should have remained in the chamber because, just possibly, he might have heard something worth while.

An hon. Member: He didn't miss anything.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, perhaps I should summarize tonight's speeches, so that cabinet ministers tomorrow morning can read a succinct account of what has taken place. I do not see too many of that breed of cat around.

Mr. Knowles (Winnipeg North Centre): It is tomorrow morning now.

Mr. Hnatyshyn: I am proud this debate has lasted until 2 a.m., or one o'clock Saskatoon time. I am proud to talk in a debate relating to western grain. Government supporters may not think it is of much importance, but we do. I am

proud to be a member of my party and to be associated with the mover of the motion.

We are pleased that the strike has been settled, but we are not pleased at the number of strikes taking place in Canada. All members receive mail complaining about our great numbers of strikes. I agree that you cannot legislate workers back to work. We must consider the cause of our strikes.

The ministry asks for our suggestions, but there is not a single cabinet minister here to listen to us. The government argues that strikes must take their course. We say the people of the country are entitled to leadership in the resolution of strikes. This debate has had a therapeutic effect on negotiations on the west coast. On learning that parliament might act, the parties came to an agreement. Even government supporters agree that strikes are a futile exercise.

Mr. Benjamin: That's a lot of crap.

Mr. Hnatyshyn: The hon. member just used a euphemism describing members of the NDP.

According to the Saskatoon *Star Phoenix* of March 4, 1975, the Minister of Justice said that the strike is too costly a weapon for us to put up with, and he said strikes often produce serious economic loss that leaves everyone poorer. He referred to the current strike of some civil servants that had stopped certain prairie grain movements.

Mr. Benjamin: What about the role of management in strikes?

Mr. Hnatyshyn: As the hon. member knows, management and labour are the two components in the situation. I am not blaming one side or the other. When I talk about management I mean the government. No management group has been more incompetent than the government has been.

● (0210)

I know the Canadian Federation of Agriculture, as well as other responsible spokesmen for agriculture in Western Canada, has been calling on the government to act to end the strike. In the time I have been here the government has acted once to legislate to halt a particular strike affecting the wheat delivery system. At that time the government appointed a commissioner to investigate management and labour problems in the grain handling operation in Vancouver. A distinguished jurist, Mr. Justice Bayda, was appointed. That appointment was made in October, six months ago. I have asked the Acting Minister of Labour to tell us the standing of this investigation. Over a week ago he undertook to determine precisely what was happening with respect to the work of this commissioner, but so far no answer to my inquiry has been forthcoming, no indication as to the progress of the study.

We are dealing here with a commission which has been asked to make recommendations with respect to the grain handling system. Has the commission not been given the necessary resources to fulfil its task? Are we allowing the commissioner to drift along and take his time? I know he would prefer to get the job done. He said, when appointed,

[Mr. Hnatyshyn.]

that he expected his report to come down within six months. Yet we hear no word about what is taking place.

This is an area to which the government should be giving great attention instead of allowing the present system to carry on to the detriment of the western farmer. The government should be supporting these studies to the fullest possible extent and giving every assistance to the investigation of the problem in long range terms.

If Mr. Justice Bayda is investigating this matter it is germaine to our debate tonight. The minister responsible should tell us when we can expect his report and recommendations. I am disappointed that there has been no mention of this important investigation. I look forward to seeing the results of the work of this commissioner. I look forward to recommendations which will allow grain deliveries to continue while ensuring that those employed in the industry are getting a fair and reasonable remuneration for their services. I believe that is the wish of everyone in the House.

What has been said tonight about the serious effects of strikes on the grain industry is well founded. I do not think we on this side are interested in speaking about it in the sense that we want to encourage damage to the grain industry. We are all interested in promoting that industry and would be extremely happy if we had a vibrant and successful agricultural industry. We are conscious of our responsibility as agriculturalists. We are living in a starving world. We have the responsibility to ensure that we try to serve the needs of the people of the world.

I shall end my remarks with a request to the government that it make information available at the earliest date with respect to the study being carried on by Mr. Justice Bayda so that we may help supply a reasonable solution to this perplexing problem.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, although the hour is late—

Some hon. Members: No, no!

Mr. Hamilton (Swift Current-Maple Creek): —I am pleased to see my favourite constituent in the gallery.

Some hon. Members: Hear, hear!

Mr. Hamilton (Swift Current-Maple Creek): And I am pleased to see another constituent from the neighbouring riding of Medicine Hat.

Mr. Benjamin: He is kind of a half-decent fellow.

Mr. Hamilton (Swift Current-Maple Creek): I want to thank my hon. friend from Vancouver South for introducing this motion. I am taking part in this debate because of the great concern felt by the citizens of western Canada over this issue. I am not getting letters and calls about little things like not being able to deliver to a country elevator. People are concerned about what is happening to the country. They ask "Where are we going?" We are in a real mess now. Grain movement on the Pacific Coast has been at a standstill for 42 per cent of the time during this crop year, yet we hear the same old arguments from the government. It is hogwash as far as my people are concerned.

The questions before us now are questions of national interest. What is happening to Canada? As I said a few moments ago, the ports have been closed for 90 days during this crop year. The government told us it wanted to wait a little longer before acting; it seems to us that until the pinch is felt down east there is no real pressure. It is interesting to note that grain from Western Canada is still flowing normally to eastern Canada.

The NDP did not want this debate.

Mr. Benjamin: Who said that? Where did you get that from?

An hon. Member: Frank Hamilton said it.

Mr. Benjamin: That was a mean thing to say, Frank. It is not even true.

● (0220)

Mr. Hamilton (Swift Current-Maple Creek): Hon. members opposite have said that this is a motion of desperation. I agree that it is a motion of desperation on behalf of a great number of Canadians. Grain is not moving from the Pacific seaboard, and it will not do so. The problem is far from over.

Not one speaker on the government side has mentioned inflation, which surely is the root cause of all our problems. If the longshoremen settle, we still have to deal with the foremen of the longshoremen, who are a unionized group and who told me on the telephone today that as soon as the longshoremen settle they will come out and tie up 90 per cent of the Pacific seaboard.

The hon. member for Grenville-Carleton (Mr. Baker) mentioned that the government had chided us for having sad faces. I think we have good reason to have sad faces when we receive letters, telegrams and telephone calls from the grain producers of western Canada and from our overseas customers. The minister in charge of the Wheat Board has no real appreciation of the situation in human terms. The message that I receive in letters and from telephone calls is that the first step in solving this problem is to get rid of Otto Lang.

We can well ask, where is the Minister of Labour (Mr. Munro) tonight? I should like to go back to some of the statements he made on October 7, 1974, in the grain debate. The Minister of Labour, as reported at page 165 of *Hansard*, had this to say:

> —the governor in council, having decided that any work stoppage would adversely affect the national interest, made an order pursuant to section 181 of the Canada Labour Code, Part V, Industrial Relations, to suspend any work stoppage until the election was over.

A little further on he said:

> First, I take issue with those parties who consider that, by endorsing the commissioner's recommendations, the government has not acted impartially and is, in effect, encouraging so-called "inflationary" settlements.

We all know now that they sought the wind and are reaping the whirlwind. The settlement made last fall was an effective rate of 54.2 per cent. Further on in his speech on October 7, 1974, the Minister of Labour said:

> To say this dispute is disturbing would be to understate the case. It marks yet another labour relations fiasco in an industry which for years has been characterized by confrontation and even hostility.

Surely that is an indication of the kind of problem the government is facing on the Pacific seaboard. It is obvious that the government does not hesitate to withdraw the right to strike when an election is in the offing. After the election it wants to govern, but it does not seem very interested in accepting the responsibility. As I have said, not one member opposite has mentioned inflation tonight, the root cause of labour unrest in Canada.

Hon. members opposite have claimed that the people of Canada spoke on July 8. If the people of Canada had known on July 8 what they know now, we would have a different government in this country. My colleague from Moose Jaw (Mr. Neil) mentioned the government has absolute control over the grain industry. About the only freedom that the western farmers have left is how much to plant. Surely the government must accept some responsibility for the tremendous bills, demurrage and broken contracts that will ensue from the stoppage on the Pacific seaboard. Mention was made of $30 million; my guess is that it will be closer to $50 million in this crop year.

In the part of the country I am from, western Saskatchewan, we move all our grain to the Pacific seaboard. I should like to go back about nine months and tell the House what these producers have been up against. On May 1, 1974, the Vancouver grain handlers threatened to go out on strike. On May 27, 1974, the Minister of Labour evoked a section of the labour act to prevent lock-out or strike action at Vancouver until after the July 8 federal election. On July 12, 1974, 2,500 Alberta meat packing company employees, locked out since June 5, may return to work by July 17, it was reported.

In August, 1974, Canada's west coast labour dispute remained unsolved. On August 31, grain movements continued to be snarled by labour interruptions. Striking Canadian marine officers paralysed shipping on the Great Lakes. On September 25 the Minister of Labour closed the door to further negotiations between Vancouver grain handlers and terminal operators by announcing government approval of the Perry report. On September 26 the lock-out and strike of Vancouver grain handlers entered its second month. This dispute and the strike at Thunder Bay brought exports of grain to a virtual standstill.

Legislation to end the Vancouver dispute was introduced in the House of Commons on October 7 and received royal assent on October 10. On October 12 grain handlers reported to work at Vancouver for the first time since August 23. On October 15, Mr. Justice Bayda was appointed to investigate the complex issue on the west coast. On October 30 grain started to move again on the St. Lawrence, the first to be moved since August 7. On November 21 the entire system of the B.C. railway was shut down by striking shopcraft workers. On November 23 the grain inspectors went out on strike. On November 27 meat graders across Canada joined the grain inspectors in strike action. On December 5 the federal government and the grain inspectors ratified a new 15-month agreement. On January 6 of 1975 the B.C. railway and shopcraft unions ratified a new nine-month agreement. On January 23 wildcat strikes occurred on the CNR. On February 18 weighmen at Canada's terminals went out on strike. On February 20 contract negotiations between the B.C. longshoremen and the B.C. Maritime Employers Associa-

tion reached an impasse and strike action was approved. From then on the Pacific seaboard was shut down tight. Is it any wonder that we want to debate this issue tonight?

During the ruckus last fall, the Prime Minister (Mr. Trudeau) sent a telegram to the president of the United Grain Growers and said that the present settlement should not be considered a precedent for wage settlements in other sectors of the economy because the men in that dispute were trying to catch up with the longshoremen. We now know that that was utter nonsense. As I said before, the government started the problem on the Pacific seaboard last year with an effective settlement of 54.2 per cent. The government's own employees are asking for much less.

Why could we not have settled long ago and got the workers back to work? Why cannot Treasury Board start negotiating contracts before they expire? It seems to me that the government is purposely screwing up the country. We must remember that the Japanese are shrewd buyers. They are in a falling market now and they are rubbing their hands. As I say, farmer after farmer has written to me suggesting that as a first step in a solution we should get rid of the minister in charge of the Canadian Wheat Board.

During the ruckus last fall the minister in charge of the Wheat Board said, "Let us get grain moving again". That was the big thrust. Last fall we were in a rising market and producers were able to recoup some of their losses. The present situation is much more serious and harmful. Grain prices are falling. There is high-seeded acreage in the United States. Rapeseed is down $2 a bushel, wheat is down from $1 to $1.50 a bushel, and do not be misled by the asking price of the Canadian Wheat Board. When you are not able to deliver anything it does not matter what your asking price is. When we start to deliver, the price is going to be down $1 or $1.50 a bushel.

● (0230)

Farm organizations in the United States are asking for production controls. That shows how optimistic they are. This will add up to millions of dollars in lost sales and millions more because of a falling market.

The hon. member for Assiniboia (Mr. Goodale) mentioned a Saskatchewan Wheat Pool publication, and I should like to refer to it briefly. In the words of the Saskatchewan Wheat Pool, which is the largest grain handling company in the country, provincial wide anger and frustration are growing as farmers see the devastating effects on our whole Canadian economy. Well attended meetings without exception expressed concern, particularly regarding grain sales lost, and revenue lost to producers. They urged the federal government to invoke measures to send the workers back and have the negotiations continue.

The Saskatchewan pool wants an impartial board established to get the workers back first. It says we are seriously testing the loyalty of our overseas customers, and the organization would welcome the calling of a general conference of industry, labour and government to determine a means to improve collective bargaining in Canada. That is a good suggestion for the government. I do not think anyone should have the right to strike in essential services. As I said before, there should be a start to bargaining before agreements expire.

[Mr. Hamilton (Swift Current-Maple Creek).]

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I want to say at the outset that I appreciate the appropriate remarks of the hon. member for Swift Current-Maple Creek (Mr. Hamilton) about our friends in the gallery tonight, and I echo his sentiments. I want to assure the House tonight that I will be brief, but I intend to make a specific comment that is somewhat personal, relating to the fact that last week I had the privilege of attending three farm meetings, two of which were in my constituency of Medicine Hat. They were good rural meetings. One was held at Bow Island and one at Burdett, small towns west of Medicine Hat. The third meeting was in Swift Current, Saskatchewan, in the constituency of the hon. member for Swift Current-Maple Creek.

At these meetings I had many personal contacts with farmers, and almost the only topic they wished to hear about and discuss was the one we are debating tonight, namely, the complete tie-up of grain handling facilities in western Canada, and particularly those on the west coast. These farmers were annoyed, frustrated, and in fact completely infuriated at the complete lack of action by the government here in Ottawa. I am relating their reaction rather than my own feelings.

These farmers were well informed as to what these tie-ups have cost them in a personal way. They were well informed, for example, about the 15,000 boxcars full of grain scattered on sidings all the way from the shipping points on the prairies out to the west coast. They were well informed about the incredible demurrage charges that every prairie grain grower must help to pay, and they were informed about the dissatisfaction of foreign customers at late or non-deliveries. They are very much aware of these facts and of the shrinking reputation of Canada throughout the world as an on-schedule supplier of quality products.

These same farmers told me in no uncertain terms what they thought of the situation. Most of them went even further, and said forcefully what they thought of the increases that have been suggested. In their opinion these increases were not justified. Their message to me was very clear. They said to get the grain moving again immediately, and not allow any more exorbitant settlements such as the one that grew out of the Perry Report last fall. You must admit this is a tall order for any group to fill in the atmosphere that exists at this time.

Just a week ago a delegation of the Palliser Wheat Growers' Association visited the various grain handling agencies and facilities on the west coast. They were told that as soon as the longshoremen go back to work the grain handlers are ready to go out on strike once again because management has not yet signed the contract that came from that Perry Report settlement last fall. Surely that is a rather frightening outlook.

The same delegation reported that these two groups, the longshoremen and the grain handlers, are about to amalgamate into one union to increase their bargaining power.

I seriously question if government members are truly aware of just how serious this grain situation is. Let us give these prairie farmers some credit for knowing their

own business. They are concerned enough to send a delegation out to the coast to observe the situation at first hand.

The time is long overdue for a new Canadian Wheat Board farmers' advisory committee to become operative. I am sure members are aware of the vote that is to take place in respect of this long overdue advisory group. I feel certain that the subject of the debate tonight will be the first major policy item to come before that important group. I suggest that group cannot meet too soon after the election this coming spring in order to sort out this situation.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, some members might ask what I know about raising or merchandising grain, and therefore why I should want to speak on the motion moved by the hon. member for Vancouver South (Mr. Fraser). In the first place I am just as concerned as any other member of this House, and any citizen of our country, that a small handful of irresponsible people should be allowed periodically to shut off the flow of wheat and grain. This group of people is presently posing a threat to every single sector of the Canadian economy.

The power held by these grain handlers and other groups of workers in essential services has to be checked. I have said in the past, as the government is saying now, that the right to strike is one of the legitimate tools of labour-management negotiations, especially in cases where the workers simply cannot get management to negotiate in good faith. However, unlike the government, I feel we have learned that the right to strike has been badly abused in recent years, and is certainly being abused today.

It is obvious to all of us that too many groups of essential workers are using the right to strike to blackmail the government and also the Canadian people at large. We have seen cases in recent months where workers have walked off their jobs over some petty grievance without even taking the trouble to see whether the grievance could be settled by arbitration or negotiation. We are not living in the old days of the sweat shop with 12 or 14-hour days on fixed wages, although that might apply to members of parliament tonight. We are not living in a time when workers are victimized on every hand by management. When you consider our very advanced and comprehensive labour relations then you have to say that the unions have had an advantage over those who are not organized.

● (0240)

In fact, every time a union goes on strike, especially a prolonged strike, the non-union strikers take the brunt of the strike, not to mention the innocent citizens who have nothing to do with the issue in question. In this regard I think of those on fixed incomes and the working poor who are not unionized. The fact of the matter is that far too many unions today have found they can use the strike weapon to bludgeon management and blackmail the government into awarding unreasonable and excessive settlements just to get the country moving again. We have been blackmailed long enough.

A few years ago we had the example of elevator repairmen remaining on strike for several months. The government did not take any steps to end the strike, nor did it take any steps to ensure that innocent people were provided essential elevator service during the strike. There were cases of elderly people being trapped in high-rise buildings without access to food, drugs or medical care. In many cases volunteers walked up and down stairs in those buildings to render assistance to people trapped in the buildings. In some cases people actually died from heart seizures after walking upstairs, and others because they could not obtain medical assistance. I say that such an attitude on the part of a union or government is inexcusable. Anyone who would refuse to render assistance by refusing to cross a picket line is simply looking for a convenient excuse to exercise a terrible kind of behaviour.

At the present time, thousands of railway cars are tied up on railway sidings. These cars cannot be used for any purpose until they have been emptied. Dozens of ships are lying in anchor at Vancouver harbour waiting to be loaded. This is the second time in a few months this has happened. Thousands of workers across this country are idle because of this strike by a handful of workers in an essential category. During a crucial period in this strike we did not have a Minister of Labour to answer to this House or to take positive steps to get these people back to work.

I would say that in this case every Canadian is affected in some way and will continue to be affected for some time to come. There is no doubt in my mind that we will lose even more markets for grain because countries around the world to whom we have been selling have already decided Canada is not a dependable supplier. We accept orders from countries such as Japan and then keep them waiting for weeks or months while we watch grain handlers, railways workers or some other group of workers walk off the job over a grievance. I do not say that their grievances always are petty or frivolous, but this often is the case.

Even in cases where the grievance is legitimate there are legitimate and responsible means available for the settling of the dispute. We have reached the point where such disputes must be arbitrated whether or not the unions wish it. Settlements will have to be made while the workers are on the job. There are too many cases today in which unions announce in advance their intention to strike when their contracts come up for renegotiation. They do this sometimes months before the expiration of a legal contract. This certainly does not represent responsibility. The right to strike includes the responsibility to negotiate in good faith. There are laws under which it is illegal for certain essential workers to strike. Even in this case we see strike after strike, very often in places where the disputes were over issues in respect of which the workers were bound by contract.

I am still waiting to see whether the President of the Treasury Board (Mr. Chrétien) will in fact lay criminal charges against some workers and labour leaders who recently have gone on strike and who have refused to go back to work when told to do so. If charges should not be laid and followed up, we can expect other unions and their leaders to flaunt the laws and resort to further blackmail.

It might appear to some people that I am against labour and the right to strike in any circumstance. If people believe this, then they have not been listening. I am, and will continue to be, against allowing a group of people in essential services to tie up the country every few weeks or months in order to force their employers to award them unreasonable and excessive increases in pay and other benefits. The Canadian people have a right to be protected from such irresponsible actions. Who is to protect them if we do not?

I have heard that the Canadian Wheat Board has advised farmers in the western provinces not to grow too much wheat in the coming season because it does not appear that we will be able to deliver the wheat we sell. It would seem that even a government agency today is assuming that wheat shipments throughout the country and to our foreign buyers might not be met because of a probable strike of essential workers. If this is a fact, and I have reason to believe it is, this certainly represents a sorry state of affairs.

On the radio news last night—since it is now three o'clock in the morning—it was announced that a settlement had been reached between Treasury Board and the General Labour and Trades Group. Of course, I congratulate the President of the Treasury Board (Mr. Chrétien) for having been able to make such an announcement. Certainly this situation has continued for far too long. I happen to believe there could have been a settlement a good deal earlier.

It has already been mentioned that we have been unable to deliver grain to China under a contract signed last year. It now appears that we will not be able to deliver in respect of a more recent contract with China. It has been suggested that the United States and other wheat producing countries will benefit from our inability to keep our commitments. This lends some credence to the reports that our farmers have been advised to cut back on planned wheat and grain crops. When I consider that this state of affairs has been brought about by a small percentage of the workers in the grain handling category, and when I consider it has been allowed to happen by the federal government with apparent disregard for the rights and welfare for the majority of Canadian citizens, I have to ask what is happening to our country. I have to wonder whether anybody is in charge of the country and, if so, whether or not they know what they are doing.

Our country cannot continue to fumble around with these vital issues year after year. There must come a time when the right to strike should take second place to the interests of the country and our citizens. If the unions continue to abuse the right to strike, and blackmail and bludgeon the country at will, then we must consider the wisdom of taking away the right to strike. At least we will have to consider taking away the right to strike from those workers in essential services, people who in the past have used this weapon for their own purposes without regard to the interests of the majority of Canadians.

● (0250)

Mr. Jake Epp (Provencher): Madam Speaker, there are a few comments I would like to place on the record with respect to the motion which is before us this early in the morning, specifically dealing with the grain handlers' strike. Since the time in 1967 when the present law was introduced and passed by this House certain conditions have changed which make it incumbent on all members of the House to examine seriously what is best for the country in respect of labour management. We have to consider whether or not the so called right to strike in essential services—which I will define more precisely later on—is beneficial to the country and more specifically whether it is of benefit to the individual worker who uses that weapon. I have serious doubts that it is to his advantage.

I think we are all familiar with the effect which this strike is having on the grain trade and on Canada's reputation. We heard today about the demurrage problem and that this money will have to be paid by the western Canadian farmer, a person who is facing tremendous increases in input costs as he is looking to the 1975 planting season, a person who has had to tolerate quietly, as the third party affected by the strike, the fact that whatever settlement will be made, whether a settlement legislated in the House or one agreed to by the two parties involved, its cost will be borne by him, and yet the input he had in that settlement was minimal.

We are also cognizant of the fact that as a result of the previous grain handlers' strike we will not recover until some time this summer from the effects of that strike so far as our commitments and our grain deliveries are concerned. That is not to include the present disruption that we hope has now been concluded with the tentative settlement that was to have been made today.

The Canadian people cannot simply state on the floor of the House of Commons, or in the editorial pages of our newspapers, that the right to strike is a basic right, irrespective of its cost. We must seriously consider whether or not there is a better way to resolve differences between labour and management. As Canadian farmers on the prairies are contemplating what to plant in the next few months, they are faced with the problem not only of grain deliveries but, as the frost will leave the ground, with road restrictions and with a reduced period of time for their grain deliveries so that those grain deliveries, which they thought they could make in the winter, will now have to be undertaken in the spring seeding time.

These are the practical problems that farmers have to face because of the strikes that have occurred. The public interest must be considered, and we say it must take precedence over union or management action. Our reputation as an international grain supplying country is at stake.

With regard to food aid, at the food conference in Rome the Secretary of State for External Affairs (Mr. MacEachen) made a clear commitment to the third world that Canada stood behind its former commitments on food aid, and that we were willing to increase that food aid. We have not had the capacity, the capability or, for that matter, the moral courage to say that even though the strike continued, human need, human hunger and the spectre of death by starvation convince us that we must allow grain to move so that the hungry of the world can live. Surely that is a pretty high price to pay for the so called right to strike.

It is time that we looked at some of these issues outside of partisan debate and considered whether we do not dehumanize ourselves by retaining certain principles that we think are virtually inalienable. Surely the right to live is also an inalienable right of those who are looking for some help, and the help that we are giving at best will only give many people in the world a chance for a meager existence.

We must look at the moral implications. Have we in fact doomed certain people to death because we did not have the moral courage to say that there are more important things than X number of dollars in a wage package? I am sure all members of the House have received letters from farmers and, surprisingly, not only from farmers but from businessmen, housewives and people who are simply fed-up with the tie-up in the country, whether one is talking about airlines, the post office or, as we are debating specifically tonight, the strike at the port of Vancouver.

What is happening with productivity? When is the last time that in a labour contract we have seriously considered productivity? What we think about is "what did the other guy get" and, "I want that, plus a little bit more". We talk about catching up. So long as we have inflation, can we seriously look at productivity? How are we to retain our competitiveness as a world trader on which a large part of our standard of living depends if increases are to take place, whether in the price of goods or labour management settlements, and if we do not relate some of these increases to productivity?

I think that with increased productivity labour has a right to demand something in return. That is a dimension of labour management that the government should consider. I simply ask, why do we not give more credence, more emphasis to the whole concept of productivity as it affects labour negotiations in this country in which we pride ourselves on the strength of its economy, its high standard of living, and the generous social services that the people of Canada are making possible through their tax dollars?

● (0300)

How is it possible, with a population of 23 million people, that there is only one industrial country which had more man days lost through strikes than we did? Does that just mean that we are more greedy than anyone else, or does it show a fundamental problem in our society? With a population of 23 million, 9.2 million man days are lost, a 60 per cent increase over the year before. Is that a record of which the government is proud, and a record which its backbenchers want to talk about and support and defend? Surely that is a red flag to all members in this House that something is deeply wrong.

What about the right to strike? Most Canadians would argue that the right to strike is a basic human right whether it be in the private sector or the public sector. It is my opinion that it is time that the government, in consensus with the people of Canada, designate essential services. I believe that labour is not so blind and is not so tied up with its own labour packages that it could not participate in that process of deciding what are essential services. Once having decided that, the parties could come to an agreement that through a public disputes commission—or whatever label they want; I am not tied to labels—we would use a method whereby when negotiations at the table break down the matter would be submitted to arbitration, or to a public disputes commission which would bring about a final settlement.

Negotiation is compromise, and in a democratic society we must have a larger measure of compromise if it is to exist. Surely in the right to strike and in the pressures of society today we do not see enough of that compromise.

I am glad that the settlement has taken place today, but does it take place finally because everything else breaks down and we say: okay, fine, let's settle? That is not compromise.

A question I have been wrestling with for some time now is not simply whether people in essential services have the right to strike but whether people have what I like to call the right to work, whether in the private sector or the public sector. Does the Canadian worker who does not want to join a labour union have the right also, if his union withdraws services, to continue working? If I want to accept the right to strike for myself, do I have the right to say to another fellow that even though he does not want to strike he must do so? Does he not have the right to work? Does he not have the right to contribute, or has unionism become so powerful and so all embracing that it can tell a worker that he cannot work, or if he does certain things will be done to convince him that he had better strike?

In Manitoba specifically with respect to essential services this question has been asked of me, and it bothers me that governments feel that while a person may have the right not to join a union, he still must pay union dues and cannot withdraw himself totally from a union. For example, let us say that he has a personal conviction that he does not want to be a union member. There is then a closed shop policy whereby, if he does not become a union member he cannot work.

There have been cases where a person was willing to give the amount of the union dues expected of him to charity. I am talking about public servants. Governments did not allow him to opt out, and I wonder if we have not gone too far on the other side of the ledger on the right to strike and not given enough thought to the man who says that he wants to work regardless of what his union will do.

I personally am convinced that direct strike action is more damaging than healthy. I am convinced that many of the packages that are signed after a period of strike will not enable the workers to recover the losses they sustained during the length of the strike. Perhaps the strike action is outdated in many cases today. Years ago labour had a legitimate moral position which often forced them to withdraw their services—they were struggling for pensions, better working hours and conditions, but is that the position today? Is it not sometimes that, as they accuse management of doing, they are going to get every penny then can, irrespective of their responsibility to society? I think it is incumbent upon government and Canadian society to look at the strike question very closely in order to be certain that we find interim solutions to our present situation in respect of grain handling.

The hon. member for Churchill (Mr. Smith) pointed out to the House tonight that the facilities at the port of Churchill are not being used to capacity. To move grain from Scott, Saskatchewan, to Rotterdam via Churchill rather than the Pacific coast means a saving of 15 cents per bushel; via the east coast the saving is 32 cents per bushel; via the St. Lawrence ports there is an 18 cent per bushel saving, and via Thunder Bay and direct overseas the saving is 11 cents per bushel.

As a result of the strike has the government considered what is wrong in Vancouver and our other ports, and what interim and long term changes should be made? I want to say to the House again that the right to strike today is damaging, and the short term benefits achieved do not make up for the damage the workers sustain. For every right in democracy there is a corresponding and correlating responsibility. It is time that society look not only at rights but at responsibilities, and we seem to have moved away from that point. It is time that this government showed leadership and responsibility and, Mr. Speaker, I believe the Canadian public would recognize that responsibility and follow it.

● (0310)

Mr. Frank Maine (Wellington): Madam Speaker, it is gratifying to see you occupying the chair at this late hour. In International Women's Year it is gratifying to demonstrate to the opposition that our women work as long and hard as their male counterparts.

Mr. Nowlan: That's a pretty good start for your maiden speech.

Mr. Maine: The hon. member for Annapolis Valley (Mr. Nowlan) has added his comment to the debate. He is a good example to bad drivers—putting his mouth in motion before putting his brain in gear. The Conservative motion, in referring to the strike which has been settled, flogs a dead horse. But that is not unusual. That party has been flogging dead horses for years. For the benefit of those who say they are concerned about strikes, I draw the attention of the House to notice of motion No. 48 on the order paper, standing in my name, which reads:

That, in the opinion of this House, the government should give consideration to the appointment of a special committee of this House for the purpose of finding an alternative to the use of strikes for settling labour-management disputes and thereby protect innocent third parties whose lives are disrupted during strikes in both the private and public sectors of the economy which threaten to be more serious than in past years owing to the large number of contracts to be renewed in the current year.

I know the Finkelman report deals with strikes in the public service, but we must also be concerned about strikes in the private sector. If hon. members opposite are serious in what they say, they will convince their leaders to ask for my notice of motion to be debated as soon as possible, and passed, so that the serious problem with which it deals can be tackled.

Last evening at six o'clock I spoke to the chairman of my local agricultural committee. I asked, how is the strike situation affecting farmers in Ontario? He said, "It is not affecting farmers in Ontario or farmers in Wellington riding, but the people in Canada are concerned because strikes are hindering the delivery of food to deprived people in other countries." He, himself, was concerned about the effect the strike would have on prairie farmers and about the loss of money to their economy. Compared with the losses resulting from the present strike situation, the losses we suffered from eggs are small indeed. An egg farmer on my local agricultural committee hoped that grain would soon move again: most importantly, he mentioned the rising antagonism of Ontario farmers to unions. Such antagonism is potentially disastrous.

It is now 3.15 a.m. I have been here since 8 p.m. of the previous evening. Not until 12.35 a.m. did I hear a constructive comment from the opposition. It was made not by a Conservative member, but by a Créditiste member, the hon. member for Rimouski (Mr. Allard). He made the first positive suggestion that I heard from the opposition. He talked about profit-sharing and guaranteed annual income. Perhaps the Créditistes woke up the Conservatives because after that the hon. member for Winnipeg South Centre (Mr. McKenzie) also mentioned profit sharing.

Mr. Whittaker: Madam Speaker, I wonder if the hon. member would permit a question.

Mr. Maine: Madam Speaker, I prefer to finish my speech first.

Mr. Nowlan: You are like Eugene Whelan, sitting and hearing nothing.

Mr. Maine: That is better than sitting and saying nothing, and I have been here all evening. The high points of the opposition's contribution were the suggestions made by the hon. member for Rimouski and the hon. member for Winnipeg South Centre. Then the debate sank to a low level when the hon. member for Battle River (Mr. Malone) gave a history lesson. He talked about the burden of demurrage charges on farmers as being something new and suggested farmers should be able to sue. But does not every strike, whether in the public or private sector, injure innocent third parties and cause inconvenience?

Whenever a strike occurs in industry, some innocent people are inconvenienced. Demurrage charges, placing a burden upon people who are not directly involved in strikes, are nothing new. This problem is not one which affects only the farmer. It is one which should be tackled in both the private and the public sector because the total number of people involved is so large. If western farmers opposite are really concerned for their industry they will persuade their leaders to agree to bringing my motion forward for immediate consideration so that we can come to grips with this issue in a manner which is fair to all concerned.

I ask the hon. member for Winnipeg North Centre (Mr. Knowles) to join this debate and show some of the members of the Conservative Party the error of their ways.

Mr. Sean O'Sullivan (Hamilton-Wentworth): Madam Speaker, the points which I would have raised in a full speech on this motion have already been fully and adequately voiced by my hon. friends on this side of the chamber. As this important debate draws near its end, I simply wish to express on behalf of the official opposition, which took the initiative in bringing about this debate,

our very deep appreciation to all the House of Commons staff who have so willingly and with dedication stayed on the job.

An hon. Member: They did not go on strike.

Mr. O'Sullivan: They provide a shining example which might well be followed by hon. members who sit on the treasury benches. I think in particular of the *Hansard* staff, the protective staff, the officers at the Table, the sound system operators, the translators and those who operate the transportation system to the Confederation Building. We also wish to recognize that some especially diligent members of the press gallery have been on hand to report our proceedings.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Don't forget the cafeteria staff.

Mr. O'Sullivan: With the help of these people and any others I may have overlooked, including the staff of the cafeteria, an issue of great importance has been debated, the purpose of this chamber has been fulfilled and the people of Canada duly served by the House of Commons. On behalf of the official opposition and, I would hope, on behalf of all hon. members, I wish to acknowledge their invaluable assistance and thank them deeply.

Some hon. Members: Hear, hear!

● (0320)

Mr. Gordon Towers (Red Deer): Madam Speaker, I am not sure whether this is a late hour or an early hour, but I want to impress upon you how composed and dignified you look as you grace this chamber.

Some hon. Members: Hear, hear!

Mr. Towers: At the same time I should like to impress upon this chamber, and the hon. member for Wellington (Mr. Maine) who has just spoken, that after several hours of debate he still does not comprehend what we are talking about. When he talks about demurrage charges he is talking about peanuts. Out in western Canada we are talking about millions of dollars.

The points have been well made by my colleagues on this side of the House. I do not intend to reiterate them, but I trust there is some member on the other side among the few who are left who will take this message to the cabinet ministers who have been absent from the chamber for several hours. If there is one thing of the utmost importance it is that it is the responsibility of the backbenchers on the government side to impress upon the cabinet that this is a very important issue. We trust they will not allow us to get into this position again where we have to ask for adjournment of the business of the House to protect the interests of the Canadian people in the House of Commons, the highest court in the land.

Mr. Gus MacFarlane (Hamilton Mountain): Madam Speaker, I would most assuredly like to associate myself with the remarks of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan). We certainly appreciate the services that we have received from all the members of the House of Commons staff. I associate myself with those portions of his remarks.

However, I would like to say something to those hon. members who have given us good advice by telling us what to tell our caucus, what to tell our cabinet ministers and the government. Let me assure them that what we will say is that we stood as Liberals, and we stood in favour of the right of the individual to strike. We stood as Liberals and as responsible people. We honoured the strikers, respected them, and indeed solved the strike jointly with them. We stood as Liberals who said equally and together, not differently, that we understood where our government stood. Not only did we defend our ministers but we respected them, and we hope they are prepared and ready for the work to come tomorrow, because they work very hard and long into the evenings.

We want hon. members opposite to know that we tolerated them and listened to them. But we did not agree with them for one moment.

The Acting Speaker (Mrs. Morin): According to section (13) of Standing Order 26 I am satisfied that the debate has been concluded and I therefore declare the motion carried. The House stands adjourned until two o'clock p.m. this day, pursuant to Standing Order 2(1).

At 3.26 a.m. the House adjourned, without question put.

APPENDIX "A"

Question No. 2,075—Mr. Knowles (Winnipeg North Centre):

What are the names of the Ministers, Acting Ministers and Second Acting Ministers of each department or ministry of the government?

P.C. 1974-1835

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 8 August, 1974.

The Committee of the Privy Council, on the recommendation of the Prime Minister, advise:

1. that in the absence from Ottawa of the Prime Minister or in the event of his being unable to perform the functions of his Office, the next Senior Minister who is in Ottawa, and is able to perform the functions or the Office of Prime Minister, be authorized to act for the Prime Minister;

Certified to be a true copy
P. M. Pitfield
Clerk of the Privy Council

LIST OF ACTING MINISTERS

COLUMN I OFFICE	COLUMN II NAME	COLUMN III ACTING MINISTER	COLUMN IV SECOND ACTING MINISTER
1. Agriculture	Mr. Whelan	Mr. D. J. MacDonald	Mr. Lang
2. Communications	Mr. Pelletier	Mr. D. S. Macdonald	Mr. Faulkner
3. Consumer & Corporate Affairs	Mr. Ouellet	Mr. Mackasey	Mr. LeBlanc
4. Energy, Mines & Resources	Mr. D. S. Macdonald	Mr. Gillespie	Mr. Buchanan
5. Environment	Mrs. Sauvé	Mr. LeBlanc	Mr. Richardson
6. External Affairs	Mr. MacEachen	Mr. Sharp	Mr. Pelletier
7. Finance	Mr. Turner	Mr. Drury	Mr. Jamieson
8. Indian Affairs & Northern Dev't	Mr. Buchanan	Mr. Basford	Mr. D. S. Macdonald
9. Industry, Trade & Commerce	Mr. Gillespie	Mr. Andras	Mr. Sharp
10. Justice & Attorney General	Mr. Lang	Mr. Allmand	Mr. Chrétien
11. Labour	Mr. Munro	Mr. Ouellet	Mr. Goyer
12. Manpower & Immigration	Mr. Andras	Mr. Lalonde	Mr. Marchand
13. National Defence	Mr. Richardson	Mr. Danson	Mr. Drury
14. National Health & Welfare	Mr. Lalonde	Mr. Munro	Mrs. Sauvé
15. National Revenue	Mr. Basford	Mr. Buchanan	Mr. D. J. MacDonald
16. Post Office	Mr. Mackasey	Mr. Munro	Mr. Buchanan
17. Privy Council	Mr. Sharp	Mr. MacEachen	Mr. Lang
18. Public Works	Mr. Drury	Mr. Goyer	Mr. Whelan
19. Regional Economic Expansion	Mr. Jamieson	Mr. Marchand	Mr. Mackasey
20. Science	Mr. Drury	Mrs. Sauvé	Mr. Gillespie
21. Secretary of State	Mr. Faulkner	Mr. Pelletier	Mr. LeBlanc
22. Solicitor General	Mr. Allmand	Mr. Lang	Mr. Lalonde
23. Supply and Services	Mr. Goyer	Mr. Richardson	Mr. Danson
24. Transport	Mr. Marchand	Mr. Jamieson	Mr. Basford
25. Treasury Board	Mr. Chrétien	Mr. Drury	Mr. Turner
26. Urban Affairs	Mr. Danson	Mr. Faulkner	Mr. Ouellet
27. Veterans Affairs	Mr. D. J. MacDonald	Mr. Whelan	Mr. Allmand

HOUSE OF COMMONS

Thursday, March 20, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS ESTIMATES

Third report of Standing Committee on Miscellaneous Estimates, in both official languages—Mr. Leblanc (Laurier).

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

* * *

[*English*]

POST OFFICE

SUGGESTION COMMITTEE STUDY SALE TO PRIVATE ENTERPRISE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise pursuant to Standing Order 43 to propose a motion on a matter of urgent and pressing necessity. In light of the inability of the Canadian Post Office to solve its constant labour problems, decrease its huge annual deficit, or to even provide satisfactory service to the Canadian people, and in light of the fact that private parcel delivery services in both Canada and the United States show healthy profits while guaranteeing their service, I move, seconded by the hon. member for Portage (Mr. Masniuk):

That this House set up an all-party committee to study the feasibility of selling the entire post office equipment and operation to private business.

Mr. Speaker: Order, please. The motion, being proposed pursuant to Standing Order 43, cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): No.

[*Translation*]

CONSUMER AFFAIRS

EFFECT OF CREDIT CARDS AND HIGH INTEREST RATES ON INFLATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Since the generalized use of credit cards has resulted in a substantial increase in the number of frauds, and since also in the final analysis, consumers have to foot the bill for this new type of fraud, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the House instruct without debate the Minister of Consumer and Corporate Affairs to carry out an investigation in order to determine the extent to which this practice increases inflation, and also the extent to which the exorbitant interest rates of banks contribute to inflation.

Mr. Speaker: The House has heard the hon. member's motion. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore the motion cannot be put.

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a point of order.

I should like to congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) who objected to a motion a while ago by identifying himself. He said no, and rose in his place, as required by the Standing Orders. I hope that other hon. members will follow this practice in the future.

* * *

● (1410)

[*English*]

CRIMINAL CODE

AMENDMENT TO REMOVE ABORTION PROVISION

Mr. Stuart Leggatt (New Westminster) moved for leave to introduce Bill C-385, to amend the Criminal Code (abortion).

He said: Mr. Speaker, recognizing that there are very deep and sincerely held differences of opinion on this matter, this bill would remove the subject of abortion

from the Criminal Code thus making it a matter for those directly concerned and the medical profession and provincial health authorities. In addition, the bill gives effect to the principles outlined in recommendations 126 and 127 of the Royal Commission on the Status of Women and is supportive of the views recently expressed by the Minister of Finance (Mr. Turner).

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

ORAL QUESTION PERIOD

[*English*]

FEDERAL-PROVINCIAL RELATIONS

DATE AND AGENDA OF ECONOMIC CONFERENCE—POSSIBLE DISCUSSION OF SPECIFIC PROPOSAL ON CONSENSUS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a few days ago the Prime Minister referred to a conference on the economy. I assume the Prime Minister was referring to the conference of first ministers to be held shortly after Easter. Could the Prime Minister give us the precise dates of that conference and indicate whether, generally, it will be a conference open to the public or generally a closed conference?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I have had answers to my letters from all the premiers on the subject of the dates, the agenda and the question of whether it should be an open or closed conference. Some answers are in the form of written letters and others were by telephone or telex. The general decision is to have the conference on the Wednesday and Thursday after Easter week. The dates are the ninth and tenth. The items will be, first, the oil and gas problem, pricing and so on, and the second will be the economy. The first day, by agreement of most of the first ministers concerned, likely will be an open conference. As to the second day it is likely to be closed.

Mr. Stanfield: Mr. Speaker, has the Prime Minister requested that the subject of consensus which is being pursued by his government be on the agenda or is his government putting before the conference of first ministers a specific proposal incorporating a form of consensus to be considered by the conference of first ministers?

Mr. Trudeau: Mr. Speaker, the federal position will be made known at the time of the conference. It is a practice rather well respected that position papers generally are not made public in advance. If I remember the early practice, it was based on the desire not to try to encourage participants to harden their positions in advance on any one subject and to permit everyone to come to the conference with as open a mind as possible. In this sense we do not intend to publish any papers in advance, and the exact position taken by the federal government on these two items, of course, will be made known at the time.

Mr. Stanfield: I am sure the fact that the Prime Minister answered a slightly different question than I asked him was purely accidental, not intentional. I did not ask the Prime Minister whether he intended to publish the position of the government before the conference met. I asked him whether the government was placing before the conference a specific proposal incorporating a form of consensus to be considered by the conference.

Mr. Trudeau: Mr. Speaker, the question is the same and the answer would be the same. The Leader of the Opposition is asking me to say now what I will say at the conference.

Mr. Stanfield: No, I am not.

Mr. Trudeau: He is asking me whether I am going to put a certain position in front of the conference, and I ask him to wait and see.

* * *

THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF GOVERNMENT GUIDELINES ON WAGE AND SALARY INCREASES—REASON FOR FAILURE TO ACT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. In view of the advice of the Governor of the Bank of Canada to the Minister of Finance yesterday that the rates at which the money incomes of various groups in Canadian society are now increasing are extraordinary, and his further statement that nothing would do more to improve the prospects for the Canadian economy than a rapid slackening in the tempo of this race for higher money incomes, would the minister indicate if, based on this concrete advice that highlights the urgency of the matter, he intends to take any concrete steps to ensure a decline in this race for higher money incomes through the issuing of at least interim guidelines for income increases that would apply until the consensus chats are over, as they appear to drone on and on?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Is this not the same abuse of the rules that we had once before when a supplementary question was asked which was not supplementary at all.

Mr. Speaker: Order, please. I was watching carefully for a connection with the conference and noted that the hon. member was at least good enough to draw a tenuous connection in the last sentence of his question to the economic conference to which reference had been made. Had it not been for that, I would have made the same point that has just been raised by the hon. member.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Governor of the Bank of Canada of course recognizes the same problem we have recognized for some time. This is the purpose of the consensus process, to try to evolve an understanding whereby various claims against the economy from various sectors can be moderated along the lines suggested by the Governor.

Mr. Stevens: Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the further

statement from the Governor of the Bank of Canada that there is in fact an open race going on among these income groups for larger increases in money incomes, and the race is occurring in a period in which no increase in average real income per capita is being achieved and none of the participants can gain except at the expense of others, and in view of the minister's continual failure to issue guidelines or to intervene officially to ensure that there will be more restraint in income demands,—

Some hon. Members: Order.

Some hon. Members: Question.

Mr. Stevens: —would the minister indicate if he has hesitated to act as he has been told by certain of these organized income groups to not interfere?

An hon. Member: What is the question?

Mr. Turner (Ottawa-Carleton): I have read that particular passage in the Governor's report.

* * *

PUBLIC WORKS

POSSIBILITY DREDGING WORK BEING DONE BY UNITED STATES OR PUBLICLY OWNED COMPANIES—NUMBER OF JOBS LOST

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to direct my question to the Minister of Public Works and ask him, in view of the statement last night by the minister that he is considering inviting bids from U.S. dredging companies as well as considering some form of public ownership, whether he can tell the House how far he has gone in his negotiations with U.S. firms and to what extent has the department examined the public ownership options?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, there have been no negotiations with any U.S. firms, and the advisability of the public ownership of certain operations, the pros and cons, is under continual review, not only in the dredging field but also in many others.

● (1420)

Mr. Saltsman: I have a supplementary for the same minister. Has the minister calculated the loss in Canadian jobs if the dredging contract is let to United States firms as against keeping these jobs in Canada, under either a department of his ministry or under a Crown corporation?

Mr. Drury: Mr. Speaker, I might say that this is one of the few things which tempts us to try to work out arrangements with certain existing Canadian firms, in spite of the difficulties in which they now find themselves.

Presence in Gallery

[*Translation*]

HOUSING

INABILITY OF MOBILE HOME OWNERS TO OBTAIN $500 GRANT BECAUSE OF LEASE PERIOD—GOVERNMENT POSITION

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the Minister of State for Urban Affairs. My question deals with the new $500 grant to purchasers of new homes.

Is the minister aware that 90 per cent of buyers of mobile homes cannot obtain the grant because they do not have five-year leases on their lots? If so, does he intend to take the necessary steps to make new owners eligible for that grant?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am aware of the situation with reference to mobile home owners. The basic reason we have set a five year land lease is to make certain that it is a permanent residence. I want to look at the nature of those land leases and also those people who move on a fairly regular basis due to the mobility of their jobs. This came up before the parliamentary committee, and the president of CMHC and I will be looking into this.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, I have a supplementary. I would like to ask the minister whether he intends to study the contract specifically, because he will see that 90 per cent of owners have only one-year leases.

[*English*]

Mr. Danson: Yes, Mr. Speaker, I understand that, and I will be looking at that contractual arrangement.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary. I should like to ask the Minister of State for Urban Affairs whether he is concerned about the problems of farmers who leave their farms because they have become non-profitable for lack of income owing to our agricultural policy. Farmers who build a house for the first time are not entitled to the $500 grant because they were producers, they already had houses on their farms, and they own only one house now. Can the minister assure the House that he will look into the possibility of helping those farmers who leave their farms to settle in the cities and benefit from the $500 grant?

[*English*]

Mr. Danson: Mr. Speaker, I hope that we can look after these people in a very positive way through our Assisted Home Ownership Plan.

* * *

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF GENERAL ALEXANDER M. HAIG JR., SUPREME ALLIED COMMANDER IN EUROPE, AND MISS KAREN MAGNUSSEN

Mr. Speaker: Order, please. Before beginning the second round of questioning, may I take a moment to draw to the

attention of hon. members the presence in our gallery of a very distinguished visitor. I refer to General Alexander M. Haig Jr. who has just recently assumed the position of Supreme Allied Commander in Europe.

Some hon. Members: Hear, hear!

Mr. Speaker: If it can be taken as a good omen that the presence of the General in the gallery happens to coincide with an unofficial distinguished ambassador of good will on behalf of Canada, so be it. I refer of course to the happy presence beside the general of Miss Karen Magnussen.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

DECLINE IN REAL DOMESTIC PRODUCT—GOVERNMENT POSITION ON INTRODUCTION OF INDUSTRIAL INCENTIVES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker—

An hon. Member: Here we go.

Some hon. Members: Oh, oh!

Mr. Hees: The rumbling among the rabble shows a very natural fear of my question.

My question is directed to the Prime Minister. The real domestic product declined in Canada at an annual rate during January of 23 per cent—a truly shocking decline—following a steady decrease during the previous nine months. In view of these figures, I should like to ask the Prime Minister if the government has come to the realization that new industrial incentives must be introduced without further delay to restore the economy to a satisfactory pace and, if so, when will they be announced?

Right Hon. P. E. Trudeau (Prime Minister): In the usual way, at the usual time, Mr. Speaker, if they do happen.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, I always wait until the applause dies down but I have a supplementary question. Judging by the quality of the Prime Minister's non-answer, is it not obvious that in the business of laying eggs the Minister of Agriculture has a serious competitor in the Prime Minister?

* * *

IMMIGRATION

ACCEPTABILITY OF ALLEGED BEHAVIOUR OF TED PATRICK—REQUEST FOR REPORT ON POSSIBLE CRIMINAL RECORD IN THE UNITED STATES

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Manpower and Immigration. It concerns the case of Miss Debbie Dudgeon, a 21-year old Orangeville lady who claims to have been held against her will by Ted Patrick who is also known as "Black Lightning" and who she claims attempted to deprogram her from her belief in Roman Catholicism. In view of the fact that Mr. Patrick is an American who is alleged to have been involved in four similar cases in southern Ontario, has the minister investigated this and if so, is he satisfied that Mr. Patrick's behaviour is acceptable to the government of Canada?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for drawing this to my attention. I will take the question as notice.

Mr. Beatty: A supplementary question. While the minister is investigating this would he undertake to report back to the House whether Mr. Patrick has been convicted of any crimes relating to this sort of behaviour in the United States before coming to Canada, and secondly, whether he had secured a working permit from the Canadian government which would allow him to receive money for his activity in Canada prior to his involvement in this Orangeville case?

Mr. Andras: Mr. Speaker, I will take that as notice also.

* * *

ENERGY

PROPOSED PIPELINE AGREEMENT BETWEEN CANADA AND UNITED STATES—REQUEST FOR DETAILS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the fact that Canadian and United States energy officials are reported to have completed an agreement for the transportation of natural gas and oil through pipelines in each other's territories, can the minister elaborate for the House what main items have been agreed upon?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the premise of the hon. member's question is not quite correct. No agreement has been reached. There have been two sets of negotiating meetings between representatives of the two countries with respect to a general pipeline treaty of the kind the Prime Minister referred to in his December, 1973 statement. In effect, the purpose of the treaty would be to guarantee the passage of hydrocarbons across each other's territory, moving from one country to the other.

Mr. Gillies: A supplementary question, Mr. Speaker. In those discussions is consideration being given to a requirement that both countries comply to each other's standards with respect to ecology and environmental protection in these operations?

Mr. Macdonald (Rosedale): Mr. Speaker, each country which is to be host to a pipeline would, of course, have to determine its own environmental standards for that particular pipeline. In other words, if there is a further expansion of the Interprovincial Pipeline through the U.S. that will be governed by the standards in the relevant states of the United States and the U.S. federal government. In that

sense, the treaty would not cover this. This is handled by domestic law. There is recognition, however, that the standards which might be imposed, whether by way of local taxation or other requirements, should on the whole, be mutual on either side. There should not be any exceptional charge disguised in any way for passage across the territory.

● (1430)

Mr. Gillies: A supplementary question, Mr. Speaker. May I ask the minister if it is the intent of officials in both countries to include the proposed hook-ups to the Mackenzie pipeline in these agreements?

Mr. Macdonald (Rosedale): Mr. Speaker, the treaty would be one, if there is to be one, of general application and would not apply to any specific pipeline system. In Canadian terms, it would obviously secure our position with regard to the Interprovincial line and Lakeland pipelines, and also with regard to the Portland pipeline. In American terms, if there is to be a Mackenzie Valley pipeline which, of course, has not yet been determined, it would be governed, but there would be no specific reference in a treaty of general application.

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UNEMPLOYMENT INSURANCE

ALLEGED DISQUALIFICATION OF RURAL RESIDENTS FROM BENEFITS—REQUEST FOR REVIEW

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, may I direct my question to the Minister of Manpower and Immigration. Since increasing numbers of Canadians every day have to use the services of the Unemployment Insurance Commission, since many areas in Canada are considered as rural, areas in which employment opportunities are limited, and since the commission seems to have adopted a policy for disqualifying people living in such areas from benefits made available by the Unemployment Insurance Commission, is the minister aware of this problem; are his officials reviewing the policy; and is a degree of discretion applied in dealing with the people of the areas I mentioned.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the premise to the hon. member's question, wherein he implies that there is a policy to discriminate against people in rural areas, is wrong.

An hon. Member: He's right on.

Mr. Andras: If the hon. member or any other hon. member has a specific case to bring to my attention, I will be glad to explore it and consider all the implications for the administration in that area. Otherwise, I do not see that the review the hon. member is calling for is required.

Mr. Oberle: A supplementary question, Mr. Speaker. I have brought specific problems to the minister's attention. The question is, is his department reviewing this very serious situation and will changes be made to this act, because it discriminates against a large segment of our population.

Mr. Andras: Mr. Speaker, there are intended changes to the act. After the hon. member has had the opportunity to review them, perhaps he can make his case. In the meantime, I suggest that he has brought forward a genuine and I am sure honest matter of disagreement.

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HOUSING

ALLEGED SHORTAGE OF SENIOR CITIZENS UNITS AS RESULT OF POLICY SHIFT—REQUEST FOR COMMITTEE INVESTIGATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. Given the low priority accorded to housing by this government, as indicated by the capital spending budget of CMHC, and given this government's cut-back in funding to provincial governments for socially assisted housing programs, is the minister aware that this shift in federal housing policy is directly accountable for a shortfall of some 4,000 senior citizen units in Ontario alone and that this situation is duplicated in every province of Canada?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the hon. member obviously cannot be serious about the low priority the federal government gives housing, as there has been an increase in the non-capital budget of 92 per cent. The budget for housing has been increased, so that housing obviously has a very high priority. In addition, with the help of hon. members, Bill C-46 could pass after short debate. This would release perhaps $1 billion for housing. I would welcome the same degree of flexibility on the part of the province of Ontario as I have tried to show that government. I would certainly welcome some degree of flexibility on the part of the province of Ontario. If they are really spending as much as they say, perhaps we can combine our priorities so that we can build as many houses as are needed for senior citizens, low income Canadians and other Canadians.

Miss MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. May I point out that I have a statement by the minister which says that the CMHC capital spending budget is to be increased 12 per cent this year. Ontario is increasing its spending by 50 per cent in this area. In the face of this major shift in federal housing policy—as indeed there has been—away from socially assisted housing to assistance for those in middle income groups, will the minister undertake to refer to committee the capital spending budget of CMHC so that there can be parliamentary investigation of this major shift in housing policy.

Mr. Danson: Mr. Speaker, I cannot accept the premise of the question. Making available $175 million in loans for public housing is hardly a downgrading of responsibility. Certainly, the question of capital budgets will be open for discussion when estimates will be before the committee shortly. If the hon. member's representations are being made on behalf of the province of Ontario, I can only say they have a strange way of getting co-operation.

Oral Questions

FINANCE

REQUEST FOR WITHDRAWAL OF TAX ON HYMN BOOKS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Finance. As the vast majority of churches across Canada are maintained by voluntary public subscriptions of private individuals, and as the 7 per cent import duty on hymn books is creating hardship on already strained church budgets, will the minister consider withdrawing this tax, in the best interests of Canadians.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will want to look at that question.

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NATIONAL DEFENCE

REFUSAL OF SNOWBIRDS TO ATTEND HAMILTON AIR SHOW—REQUEST FOR RECONSIDERATION

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, my question is for the Minister of National Defence. Is it correct that the Snowbirds have refused an invitation to appear at the International Air Show at Hamilton. If so, can the Canadian Heritage Warplanes Association anticipate that since the forces of other countries, such as the United States, will be in attendance, that some Canadian Armed Froces participation is possible.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I agree with the hon. member that the Snowbirds would add greatly to any event. I will have to check their schedule to see if they will be able to attend.

* * *

MANPOWER

SHORTAGE OF AGRICULTURAL WORKERS FOR PLANTING SEASON—GOVERNMENT ACTION TO ALLEVIATE

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of Manpower and Immigration. As Canada Manpower will not allow farmers to hire foreign workers until after August 15, and as many farmers in southern Ontario are threatening to reduce or eliminate the production of several crops because they cannot get local help for the planting season, what new initiatives has the minister taken in order to alleviate this serious agricultural crisis?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the information conveyed to the hon. member is absolutely wrong. I have said many times that our priorities are to provide Canadians if Canadians are available and willing to take these jobs; that, failing that, and it sometimes happens, we have a formal program, which we introduced in the interest of farmers, with the West Indies and Mexico to bring in under contractual arrangements, formally arrived at, offshore seasonal workers in quantities which will not create any problems for them. Only after that are we prepared to open up individual arrangements with foreign workers. If the farmers will co-operate with manpower offices in their areas or other areas of the country, they need not fear not having available people to work and harvest their crops.

Mr. Blackburn: A supplementary question, Mr. Speaker. In view of the minister's answer, how possible is it for farmers in southern Ontario and other parts of Canada to import through Canada Manpower offshore workers during the short planting season—because that is what I am talking about. I am not talking about the harvest; I am talking about the two to four week planting season when farmers find it difficult to get local help. Even though local helpers may be registered with manpower offices, they will not work in the fields. Let me make a suggestion: why cannot such farmers bring in offshore help on a temporary basis?

Mr. Speaker: Order, please. I wonder whether it is proper now to pursue a philosophical discussion about the approach which should be taken on this question. Perhaps the matter might best be settled privately between the hon. member and the minister.

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AGRICULTURE

POTATOES—REQUEST FOR PROGRESS REPORT ON AID PROGRAM FOR PRODUCERS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, my question is for the Minister of Agriculture. Has he any progress to report about his discussions with the ministers of agriculture of Prince Edward Island and New Brunswick concerning support for potato markets, or any diversion program, or whatever it is that he discussed with them.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we met with them yesterday evening and made four suggestions, three of which I believe they want to consider with their producers today in New Brunswick and Prince Edward Island and let us know if they are acceptable.

• (1440)

POTATOES—REQUEST FOR RELEASE OF MARKETING STUDIES

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. In view of the continuing deterioriation in the market place of table stock potatoes from these two provinces, and in light of the minister's earlier remarks about marketing studies that have been done by his department, has he yet released these studies or made any recommendations to either of these two provinces with regard to this fundamental issue?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have had general discussions with the ministers of agriculture from both Prince Edward Island and New Brunswick. Our findings have not been made public. We discussed the general content of what we should be doing about marketing. It appears they are both concerned about the way their product is being marketed and about whether they should be doing anything differently from

the way they are at present. They are very determined to do something now with regard to having a different kind of selling system. It would appear to be impractical to try to have anything different in force for this year. However, they are determined to have something in force for the coming crop year.

CANADIAN EGG MARKETING AGENCY—RESULTS OF CONSULTATIONS WITH PROVINCES ON FUTURE OF AGENCY

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my supplementary question is for the Minister of Agriculture. Is the Minister in a position to advise whether at the conference that took place yesterday and today with his provincial counterparts there has been any consensus, unanimous or otherwise, regarding the Canadian Egg Marketing Agency? Also, will the minister at an early date advise the House as to the results of these discussions?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the general consensus was that the vast majority were determined to make sure that CEMA stays alive. They want the national egg marketing program to continue. A statement will be made later this day regarding the annual meeting of CEMA and the federal-provincial meeting of ministers concerning this and other problems.

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HEALTH

ADMISSION OF FOREIGN STUDENTS TO MEDICAL SCHOOLS WHEN QUALIFIED CANADIANS DENIED ADMISSION—GOVERNMENT ACTION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare. In view of the urgency of this case as students are now being chosen for this fall's classes in medicine and the rising wrath of Canadians because their sons and daughters are being refused admittance to medical schools when qualified, while at the University of Toronto 26 per cent of this year's freshman class are not Canadian citizens, the cost per student being around $75,000, which is paid by the Canadian taxpayer, of which the federal government pays 50 per cent, I would like to know what the minister proposes to do about this.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the hon. member is certainly aware of the fact that universities are under provincial jurisdiction. If provincial governments disagree on that matter, it should be discussed, but as long as they consider that universities are under their jurisdiction, I do not intend to interfere in that field.

[*English*]

Mr. Rynard: Mr. Speaker, I would advise the minister that yesterday all three parties at Queen's Park agreed that something should be done about this, and the Ontario minister very definitely stated that if the federal government pays 50 per cent of the cost, it is their responsibility.

Mr. Lalonde: Mr. Speaker, I would say this is a very nice way for the provincial government to wash its hands of the responsibility which is on its own doorstep.

Some hon. Members: Hear, hear!

Mr. Lalonde: If it wants the federal government to intervene in this field and take over universities, they should do it in a formal way. We can then have discussions in the constitutional field.

Mr. Rynard: I would advise the Minister of National Health and Welfare that there is a medical manpower policy in this country and that the federal government controls it. I would further advise him that the federal government controls the taxing of the incomes of Canadians right across this country.

Some hon. Members: Hear, hear!

Mr. Lalonde: Mr. Speaker, I disagree with the hon. member, at least as far as the first part of his statement is concerned.

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CRIMINAL CODE

PROPOSED DEBATE ON CAPITAL PUNISHMENT—GOVERNMENT POSITION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Solicitor General. In view of the fact that so far this year murders have increased by about 100 per cent over last year, and in view of the mass of public opinion in Canada, will the minister seriously consider bringing capital punishment back into this House for debate so that once and for all this House of Commons can decide whether or not there will be capital punishment in this country?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I must say that I have had no information as yet with regard to the statistics for this year. I have no way of verifying the statistics the hon. member has given to the House. However, I should point out to him that before the end of 1977 the House will have to deal with the capital punishment issue. The hon. member will hear from the government on this matter in due course.

Mr. Reynolds: Mr. Speaker, I rise on a point of order. I phoned the Solicitor General's office this morning to ask for these statistics. His department not only does not have the statistics for this year, but for last year as well. How can we learn what the problem is if the minister's own department does not have up-to-date statistics?

Mr. Allmand: Mr. Speaker, I rise on the same point of order. If the hon. member knew anything about the criminal justice system, he would know we have to get the statistics from the provinces, police forces and municipalities across this country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Oral Questions

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR EXTENSION OF DEADLINE FOR APPROVAL OF PROJECTS BECAUSE OF POSTAL STRIKE

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I have a question for the minister responsible for the Opportunities for Youth program. In light of the fact that many Opportunities for Youth area co-ordinators have encountered delays in receiving applications due to the postal strike, will the minister consider extending the deadline for regional approval of Opportunities for Youth projects in the affected areas?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will examine that question. I doubt very much if we could justify an extension of the deadline in view of the fact it would affect so many people. However, I will review the matter in light of the conditions about which the hon. member is concerned.

Mr. Scott: In some central Ontario regions, applications postmarked before February 21 are still reaching area co-ordinators. Will the minister make some adjustment to ensure that there is sufficient time for all applications to be given full consideration?

Mr. Andras: Mr. Speaker, I can assure the hon. member that if there is evidence of posting or some alternate way of sending in applications before the deadline date, they will not be prejudiced by late arrivals due to conditions over which the sponsors or applicants had no control.

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[*Translation*]

ENVIRONMENTAL AFFAIRS

REQUEST FOR NEW NATIONAL STANDARDS TO FIGHT POLLUTION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the hon. Minister of the Environment.

In view of the fact that the legislation pertaining to industrial and commercial buildings does not apply to mining, and that those companies are not subject to the environmental protection legislation, can the Minister tell us whether he will assume his responsibilities immediately by instructing his department's task force which is considering the matter to look immediately into the Thetford Mines problem and report as early as possible, at a specified date, since workers of this sector demand a real answer this time, and this is one of the points in dispute in their general strike started Tuesday?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, as I said earlier, a task force is presently examining the problem of emanations from asbestos mines. We are presently establishing national standards or national objectives, the application of which will fall under provincial jurisdiction. As far as the Thetford Mines problem is concerned, I have had discussions on that matter with the Quebec minister of natural resources on Monday last when I met him in Montreal. I have offered him my cooperation as for the possibility of making available to him the expertise we have in the department in order to help him set standards which would be tolerable. For his part, he has ensured me that he had increased the number of inspectors which would be able to tell him whether the company complies with the provincial regulations.

Mr. Beaudoin: Mr. Speaker, I would like to ask a supplementary question. Has the hon. provincial minister expressed the desire to cooperate with the federal department officials, given the fact that this problem has been pending since May 1949, following the strike in Asbestos and Thetford Mines? The same promise had been made then and, for the Minister's information, nothing more has been done since.

Mrs. Sauvé: Mr. Speaker, I think that during the 1949 strike, questions of industrial health were involved. Today we are discussing effects which seem not to be tolerated by the environment and radiations which seem to have indirect effects on the health of individuals.

Both levels of government are aware of these new environmental problems, and that is why the federal government and the provinces have departments of the environment to deal with these matters.

We are now trying to use the existing legislation to grasp this problem and perhaps force the companies to change certain work conditions. However, I must say to hon. members that if the bill on substances that contaminate the environment was passed as soon as possible, some of the powers given to us by the act would help us deal with this problem more efficiently.

* * *

● (1450)

[*English*]

IMMIGRATION

ASSISTANCE TO TEACH ENGLISH IN VANCOUVER—GOVERNMENT POSITION

Mr. Art Lee (Vancouver East): Mr. Speaker, my question is for the minister responsible for immigration. In view of the need for more financial assistance in helping Vancouver school teachers teach the English language to immigrant children in order that they may have an equal opportunity for a good education, will the minister undertake to look into this matter with the minister of education of British Columbia, notwithstanding the fact that this provincial official has primary responsibility for this matter?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am certainly aware that the number of children in primary and secondary schools whose first language is not English or French has increased as a result of immigration. My officials have met with a number of school boards, including that of Vancouver, to discuss the matter and explore ways and means of rectifying the situation. We work closely with and give financial assistance to, voluntary agencies, and this program is in the process of being enhanced and augmented. We are anxious to co-operate, but in the final analysis

education is a provincial responsibility and that primary consideration has to prevail, although I will probably be meeting with the minister of British Columbia within the next two or three weeks.

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ENVIRONMENTAL AFFAIRS

REASON FOR FAILURE TO ADOPT STANDARDS FOR ASBESTOS FIBRES UNDER CLEAN AIR ACT—POSSIBLE PROTEST FROM UNITED STATES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is supplementary to those concerning asbestos and is directed to the Minister of the Environment. Would the minister advise the House why she has not brought in regulations concerning asbestos under the Clean Air Act so we can have a national environmental standard to try to assist the problem at Thetford Mines?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the hon. member will realize that the Clean Air Act does not give me the power to bring down a recommendation; this is the responsibility of the provinces. Under the Clean Air Act, I do not obtain the authority to tell a specific company to change its stack emissions. However, in co-operation with the different provinces we do consult and decide upon a certain order of priorities for looking at different sectors of industry where we think damage is greatest. We have done that consistently in about 10 or 12 cases. We are now looking into the asbestos question, and when we get together to regulate those standards the provinces, using their authority, will implement them.

Mr. Leggatt: A supplementary question, Mr. Speaker. Would the minister advise the House if she can confirm that the environmental protection agency of the United States has lodged a formal complaint with the government concerning ambient asbestos air that is blowing across the border into Maine, creating what appears to be a growing international incident? Secondly, if the minister would provide national standards under the Clean Air Act, we might have less of these kinds of protests from the United States.

Mrs. Sauvé: Mr. Speaker, I am not aware that the EPA has sent a protest to this country; however, it might be the case. Should the EPA send a protest, under our transboundary responsibilities I would indeed be able to intervene.

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[*Translation*]

TRANSPORT

POSSIBILITY OF NEW FORMULA FOR GRANTING DREDGING CONTRACTS—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Transport.

Considering that the few companies qualified for dredging operations are now quite busy with courts, considering also that essential works must be carried out each year and that tenders are absolutely necessary, I would like to ask the minister whether his department has decided to wait for completion of the investigation before asking those companies for new submissions or whether it has decided to use a new formula to perform those operations?

Hon. Jean Marchand (Minister of Transport): I do not think, Mr. Speaker, that we have decided to halt all dredging operations in Canada till the investigation is over, because nobody knows how long it will last. One thing for sure, the department will undoubtedly be extremely careful before awarding a contract to one of the companies involved.

[*English*]

PROPOSED ERASURE OF PART OF DEBT OF CNR, AIR CANADA AND ST. LAWRENCE SEAWAY—POSSIBILITY OF LEGISLATION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Transport involving an announcement of transport policy. It has been indicated that the government may erase $3.5 billion of debt not only of the CNR and Air Canada but also the St. Lawrence seaway, a matter I raised the other day. Can the minister advise whether the government is seriously considering cancelling these debts and when an announcement will be made in this regard?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, in the over-all policy that we are trying to outline, and which does not come fast enough, this is one of the points we are looking into.

Mr. Alexander: A supplementary question, Mr. Speaker. In light of the ramifications and importance of such a decision, is it the intention of the minister to introduce legislation in the event he does approve the erasure of that debt? Is it his intention to bring in legislation relating to Air Canada and the other companies in order that the matter can be seriously delved into?

Mr. Marchand (Langelier): Without being a magician, Mr. Speaker, if we decide in the case of the seaway, for example, to wipe out the debt I think we would have to amend the legislation.

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AGRICULTURE

INDUSTRIAL MILK—DATE OF ANNOUNCEMENT OF NEW SUPPORT PRICE

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is for the Minister of Agriculture. Would the minister indicate when he intends to announce the new support price for industrial milk for the coming dairy year beginning on April 1?

Hon. E. F. Whelan (Minister of Agriculture): Soon, Mr. Speaker.

Oral Questions

ENERGY

PROPOSED TANKER ROUTE FOR ALASKAN OIL—REQUEST FOR PROGRESS REPORT ON NEGOTIATIONS WITH UNITED STATES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources and goes back to the series of questions asked by the hon. member for Don Valley regarding the negotiations, conversations or whatever they were concerning a pipeline for gas and oil. I am wondering whether discussions are taking place in the context of an either/or proposition, or whether we are still faced with tanker routes and pipelines.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there are two sets of discussions underway, one set leading to the conclusion of a general pipeline treaty and a second set on general energy questions, including the matter that is of such great interest to the hon. gentleman and other residents of Victoria and Vancouver, namely finding some alternative means of moving Alaskan oil into the northwest United States market other than by heavy tanker through Puget Sound. This question is being discussed but at the moment there is nothing fresh to report.

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AGRICULTURE

INCREASE IN FERTILIZER PRICES—GOVERNMENT ACTION TO COUNTERACT

Mr. John Wise (Elgin): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs perhaps my question should more appropriately be directed to the Minister of Agriculture. In view of a recent article that appeared in the *Globe and Mail* on March 13 to the effect that the Canadian Fertilizer Institute will not issue a detailed report justifying the rapid increases in fertilizer prices, some of which have doubled in the past two years, what action, if any, does the minister intend to take in this regard?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, some action has already been taken and has been underway for some time. Investigations are being conducted at the present time under the Combines Investigation Act in respect of fertilizer companies. We intend to table or make public the facts we have gathered through our programs concerning the state of fertilizer prices. Depending on the findings that result from our efforts concerning the prices of fertilizer we will consider what other action can be taken. If the legislation of the Minister of Consumer and Corporate Affairs were passed we could take some really definite action in respect of holding and rolling back prices.

[Mr. Whelan.]

● (1500)

NATIONAL PARKS

JUSTIFICATION FOR INCREASE IN FEES—INQUIRY WHETHER INCREASE APPLIES TO ALL PARKS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development in his capacity as the minister responsible for national parks. In light of the fact that national parks were created for the preservation of our natural environment and for the use of people today as well as future generations, what justification does the minister's department have for increasing the fees by 500 per cent? Does this increase apply only to western parks?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, to answer the questions in reverse order, the fee changes apply to parks throughout Canada, with the exception of Prince Edward Island where we have a complicated problem in that we are in the process of acquiring additional buffer land around the park which would mean relocating the park gates. With that exception the fee changes apply to all Canada. Secondly, this is the first fee change we have had in 40 years, and it represents a very minimal part of our total park costs.

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CANADIAN WHEAT BOARD

PURPOSE IN ESTABLISHING ADVISORY COMMITTEE—GOVERNMENT POSITION

Mr. Arnold Malone (Battle River): Mr. Speaker, I would like to ask the Minister of Justice who is responsible for the Wheat Board whether the basic principle in establishing the advisory committee that is to be elected in April is to give new thought and a firm voice to the Canadian Wheat Board?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the purpose of going through an election process in respect of the Canadian Wheat Board advisory committee is to allow permit holders to have on the advisory committee the persons of their choice.

Mr. Malone: Mr. Speaker, I appreciate very much the position the hon. minister in charge of the Wheat Board has taken, but I think there is real concern in so far as names like A.M. Runciman, President of the United Grain Growers and—

Some hon. Members: Question.

Mr. Speaker: Order, please. If the hon. member has a supplementary question he ought to put it forthwith.

Mr. Malone: Mr. Speaker, there are a lot of people being put forward for the election to be held in two or three weeks who are not farming people but who are spending a tremendous amount of money on the election, and I am wondering if there is any regulation to make sure that the minister's stated principle is accomplished?

Mr. Lang: Mr. Speaker, we carefully considered the question of eligibility before adopting the election procedure and, indeed, had Mr. George Turner examine the question. We decided that we should not at this stage try to limit the choice of those to be elected or to put limits on campaign spending because of the difficulty in controlling this. Of course, it is completely open to the hon. member or anyone else to also take part in the campaign in order to make his point to the farmers of his district.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I should like to ask the government House leader what interesting and useful proposals he has in respect of legislation for the House this week and next, in view of the fact that this party pushed the government into obtaining a settlement of the strike so that it will not have to legislate next week?

Some hon. Members: Oh, oh!

Mr. Baldwin: What will we be doing next week?

Mr. Sharp: Mr. Speaker, I am very happy that, as the government wished, it was not necessary for parliament to enact any legislation in view of the strike being settled by my colleague, the President of the Treasury Board. As for the business of the House, of course today is an allotted day. Tomorrow, it is the intention of the government to deal with a number of items that are at report stage or third reading, and I might list them.

The items include Bill C-13, the Northern Canada Power Commission bill; C-48, the amendments to the Railway Act; C-33, the export of cultural property bill, and there has also been discussion in respect of a couple of other items, particularly Bill C-25 dealing with environmental contaminants. This has been before the House on a number of occasions and I have had indications from members on the opposition side that they would like to see this approved because of the things that should be done under it immediately. Then, there is the report stage of Bill C-19 with an amendment that would have to be disposed of.

During what I would hope will be the remaining three days, depending on the progress we can make with our legislative package, I would put on the list the resumption of the debate on second reading of Bill C-8. We are hopeful that there will be a report on the housing legislation, and in view of the urgency of bringing that legislation into effect we would like to proceed to give third reading to that bill, provided by that time there has been a report. I understand that the Senate may also recommend some amendments to Bill C-29, and it may be possible that we can deal with that bill in order to bring that act before the Governor General for Royal Assent.

That is the account we would like to place before the House, and because it may be necessary to juggle the agenda a little bit in the remaining days I hope this will give some general guidance in respect of legislative items. It is also my intention on Monday to call for concurrence in the report of the Committee on Procedure and Organization.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in respect of House business between now and Wednesday, would the government House leader say on what day the Minister of Veterans Affairs will be making his statement on veterans' housing, and if that statement involves legislation when will we be dealing with it?

Mr. Sharp: Mr. Speaker, I will consult with my colleague.

[*Translation*]

Mr. Fortin: Mr. Speaker, I wish to put a question to the President of the Privy Council regarding the business of the House.

The Minister of Environment has stated earlier that she was waiting for the House to pass Bill C-25 relating to substances that contaminate the environment. Our party agrees that it be given priority. However, it is the government, not the opposition, which decides the order of business. To elucidate this, would the President of the Privy Council agree to suggest an understanding so that Bill C-25 be given priority as early as tomorrow and so that Parliament settle this matter and pass the bill to protect workers in the Eastern Townships who are now suffering from asbestosis?

[*English*]

Mr. Sharp: Mr. Speaker, I thank the hon. member for his suggestion. I believe it is the general desire that this bill de disposed of, and I hope it can at least be put through second reading before we break for Easter.

Mr. Marshall: Mr. Speaker, in view of the fact that this summer the cadet services of Canada will again have to deny females qualification for pay and allowances, and Bill C-16 could correct this very easily, I wonder whether the minister would indicate when that bill is coming before the House again and can it be treated as an emergency, or at least given higher priority?

Mr. Sharp: Mr. Speaker, this is International Women's Year and we do not lack zeal in promoting this particular bill, but we thought it was of such importance it should have plenty of time for discussion. It would be my intention after Easter to provide an ample opportunity for all members of the House to express their views.

● (1510)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT INACTION IN FIGHT AGAINST INFLATION

Mr. René Matte (Champlain) moved:

That this House deplores the inaction of the government in the fight against inflation on the fallacious pretext that it is an international problem and blames the government for ignoring the concrete pro-

posals of the Social Credit Party for eliminating the unjustified increase in the cost of living; in particular the proposition according all Canadian consumers, a compensated price on all Canadian food produce.

He said: Mr. Speaker, on behalf of my party, I have the privilege to move a non confidence motion the importance and acuteness of which could not be more timely. The present situation has become so critical that it is high time we woke up if we want to prove equal to the Canadian people's aspirations. Therefore, it is most appropriate to ask the House to deplore—

—the inaction of the government in the fight against inflation on the fallacious pretext that it is an international problem and that this House—

—ought to blame—

—the government for ignoring the concrete proposals of the Social Credit Party for eliminating the unjustified increase in the cost of living; in particular the proposition according all Canadian consumers a compensated price on all Canadian food produce.

Mr. Speaker, why is this motion being moved? Merely because one has to be blind not to see that all Canadians, and more particularly the underprivileged, are suffering from the ill effects of what is shockingly called inflation. For the average Canadian, rising prices are disastrous. We never had it so bad since the great depression of the thirties. The dollar is worth less than half its value barely 20 years ago. Basic items like bread, butter, milk and clothing, not to speak of housing, reached unbelievable levels compared to what they cost a few years ago.

We are going through a critical period; we are on the verge of a depression that could reach catastrophic proportions and challenge the stability of our Canadian society. Faced with that imminent danger, the government does nothing. Every minister, even the Prime Minister himself, looks paralyzed. They do not know what to do. Worse still, they admit it. They do not or will not understand inflation's real causes, and apparently they are not overly worried by its unescapable consequences. Creditistes put forward specific solutions to offset the disastrous impact of skyrocketing prices. These solutions may be our only hope of avoiding a resounding bankruptcy of our society and economy. In the last few years, inflation has been the number one economic problem facing the developed countries of the world. Inflation has been the subject of endless discussions, but few, if any, positive steps were taken to control it.

Certainly inflation should be controlled. Historically, periods of rapidly increasing prices have always brought about a growing political instability, often resulting in violent revolutions and other social upheavals. Inflation undermines personal security. Whenever people come to the point where they have to live by the year, by the month, by the day and even by the hour, fantastic repercussions ensue in any society.

But the government believes and would have us believe that nothing can be done to control inflation. They say this is an integral part of our economic system. It may be true, but in that case, we feel it is even more urgent to reform that system if it is an integral part of it. It is indeed too easy to hide constantly behind the fallacious pretext that inflation is an international or a world-wide problem and that nothing can be done about it. The government has so convincingly put forward that pretext that even the man in the street explains all those problems by saying: "What do you want, nothing can be done, it is a world-wide phenomenon."

Already, Mr. Speaker, throughout the last electoral campaign, we heard the party now in power merely say: "Well, we are not to blame if all those things go wrong, it is a world-wide phenomenon."

Mr. Speaker, I will again repeat what I said on several occasions in this House: Nothing that goes on in the United States or elsewhere can prevent the cows from giving milk in Canada or the corrots and the trees from growing.

● (1520)

To avoid facing the real problems in this fashion, to mislead the people, to remain inactive in the face of the possibilities for finding real solutions, is totally unacceptable, and the House owes it to itself to prove it tonight when the vote is taken.

Mr. Speaker, we should go back to certain basic notions, which, while being elementary, constitute the very essence of a policy that could contain inflation and its disastrous effects.

Indeed, the government is sinking into scandal if not sacrilege when it tells the citizens that they must tighten their belts, do without essentials goods, pay outrageous prices for consumer goods, when we live in a country of abundance, where almost everything can be produced. I shall say it again: except for some tropical fruit, like oranges and bananas, what do we lack in Canada? We even have lemons sitting across the way from us! In order to obtain the products and all the consumer goods we need, we just have to ask ourselves the following question: have we got the potential and the physical ability to produce such and such a thing? If so, why not simply do it? This is the question. I say again, under which right can the United States, and the countries of Europe, Asia and Africa prevent our soil from producing all the food we need? Why, Mr. Speaker, do we see not Canadian consumers buy butter from Australia or from New Zealand? Under which right can all the other countries object to our developing our primary resources for the benefit of all Canadians? Why does the government hide behind fallacious pretexts? Once again, inflation is an international problem, it is a world problem.

Mr. Speaker, the longer the problem of inflation lasts, the more complex the underlying factors are becoming. What has been called the psychology of inflation is developing: the fatalist belief that the improvement of such a situation is beyond man's capacities and that the individual cannot do anything except learn to live with the ever increasing cost of living. Adjustments along that line, as we know them, such as interest rates, salaries and pensions indexing, are only contributing to fuel inflation. The very few measures taken by the government to deal with it have proved so inefficient that it is discouraging.

Mr. Speaker, this does not mean that any action is of no use, but it rather suggests that it is not tackling the core of the problem inflation is connected with prices and these represent a monetary measure. It therefore seems to me logical to say that to understand inflation, we must first of all understand the nature of prices and money. A great

many people and the government entertain funny ideas about this; their conception of money is very vague. For instance, they often feel that money is automatically created by economic activity. This is far from being true. For example, the owner of a cattle herd is not in fact creating its financial value. We are convinced that a great many of them would be willing to testify in this connection. In fact, the production of goods and that of money are the results of two quite different processes.

Money is a banker's creation. In Canada, the Bank of Canada exerts total control over the money supply. It controls the reserves held in chartered banks. Because of these reserves, chartered banks can issue financial credits which are used by the people in the community. Considering that they put in circulation as financial credits something like 16 times the amount of money they hold in reserve, these institutions play a determinant part in deciding the conditions under which the community will obtain its purchasing power.

If the community can obtain financial credits, it is in part because it will eventually reimburse these credits with interests. Because they must reimburse both capital and interests, people end up paying for products a lot more than the original price. Just as a family may have to pay in interests as much as three times its purchasing price before it can call it its own, likewise governments generally pay for public works three or four times what they are worth, not to mention certain dredging of navigable waters.

So, high interest rates are a direct cause of high prices. If interest rates were reduced to reflect the administrative cost of a loan, it is evident that the current tendency towards higher prices would be considerably curtailed. Moreover, if the chartered banks refuse to issue credits at reasonable interest rates, nothing prevents the Bank of Canada from taking their place. Its main responsibility is to administer the money supply in the best interests of the Canadian population. Inflation is directly opposed to these interests. It can therefore be said that the Bank of Canada has the responsibility to remove this obvious cause of price increases.

We can therefore see, Mr. Speaker, how the present monetary system is responsible for inflation, at least as concerns interest rates. However, it is also responsible for inflation at a level which does not necessarily concern the question of interest rates. When we realize this, when we think about the real causes of the present economic situation, we are already on the way to finding a solution. In other words, we come back to the true logic, which is only common sense, of organizing an economic policy based on something which, even though it is elementary, as I said at the beginning of my speech, is still most logical. When Canadians are told that they cannot get such or such a product because of inflation, that they cannot buy even food products because the prices are too high, it is a scandal and a sacrilege in a country as large as ours, as wealthy and as full of all kinds of riches, to have to tighten our belts and put up with inflation. If the suggestions of the Social Credit party were accepted, this phenomenon simply could not exist since, if all our activities and the whole economic administration were concentrated on this common sense equation between production and consumption, prices would never be too high since all consumers would have sufficient purchasing power to buy the products. When these products become too expensive for one reason or another, you simply have to use—and this is one part of the motion that we are studying today—compensated prices so that the consumer may still obtain essential consumer goods.

When we analyze the costs of production which go into present prices, we see how the system is upside down and how it could be put right side up.

● (1530)

Let us suppose, for instance, that a company decides to build a new plant, what happens? To finance the project, it gets a bank loan to buy building materials and hire workers. When the workers start receiving wages, the loan money, which at first represented an increase in the money supply when it was given to the company by the bank, is now being transferred to the employees.

Now, let us suppose that there was a balance between the prices of available products and the money held by consumers before the plant was started. This balance is now being destroyed. The wages of the workers who are building the plant, wages which are generally spent on receipt, form a surplus of money in relation to the commodities and products available. In conformity with the principle of supply and demand, merchants realize that they can get more for their products and raise their prices to take advantage of the situation. Workers had more money in their hands, but they do not get any profit from it, since that money is immediately taken from them because of the higher prices of products they could have got anyway. This explains why inflation accompanies the expansion of industry and public works in the present economic system. This also shows the uselessness of government measures to fight inflation by increasing production.

Mr. Speaker, a choice must be made. The problem is not caused so much by excessive profits by employees or employers. In fact, that is only the present operation of the monetary system currently in use.

Consequently, the choice that must be made by such industrialized countries as Canada is the following: they can simply continue to use the present system going in turn from economic crisis, recessions, to overgrowth, while extreme situations become increasingly tragic with time, or they can change their monetary system to issue new credits that will go directly into the hands of consumers without also being registered in prices. This will also have the effect of avoiding those credits being prematurely snatched from the population at arbitrarily inflated prices.

It is indeed strange to see that no country has yet turned to the other alternative though it contains obvious and impressive advantages. Not only would it eliminate obvious defects in the monetary system and the price system currently in use but it would also have the effect of promoting increased independence and security for all members of society.

Why, Mr. Speaker, could Canada not be the one to show leadership in the world? It so happens there is another scandal in Canada. In a country whose resources have barely begun to be tapped, a rate of unemployment of 5, 10,

15, or 20 per cent is maintained in some areas. Is that not a scandal, Mr. Speaker?

Why tolerate such things when the solutions are there? If we have the raw materials, the technology, the manpower needed, what is stopping us from accomplishing anything? If it is only a financing matter, what is stopping us from issuing our own credits which would be required for the developments which would prove adequate?

Mr. Speaker, when the motion stipulates that we blame the government, I do not think that it can be said that we are doing petty politics, that we are once again putting forward the Social Credit remedies, that we are always putting forward the same solution, that is the Bank of Canada, the "money press". Mr. Speaker, we have collected evidence that this government, owing foremost to its stability secured by its recent majority, is playing politics.

Recently we had occasion to find out how our good friends opposite, specially those from Quebec, are inconsistent with themselves and how in their parliamentary work they only play politics. Mr. Speaker, I saw—

An hon. Member: We are here.

An hon. Member: We are here regularly.

Mr. Matte: Wait a minute, you will soon know what it is all about. An article published today in *Le Devoir* was entitled:

Quebec caucus convince Whelan to restore milk subsidy.

Here is the first paragraph:

The Quebec federal Liberal caucus decided yesterday to support the milk processors' demands that the Trudeau government increase the support price from $10.02 to $11.60 per hundredweight of milk delivered to the plant.

Mr. Speaker, last Monday in the House I moved the following motion under Standing Order 43, and I quote:

Considering the precarious situation of Quebec industrial milk producers and the absolute necessity of that industry, and in view of the decreasing number of producers and the present difficulty to have adequate relief, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the House unanimously recommend to the Minister of Agriculture to seriously consider the request of Quebec milk producers to get a minimum price of $11.60 per hundredweight of industrial milk.

It is the same thing, Mr. Speaker. What happened? Of course, I was there, and I presented the motion. A great many "nos" were heard from Quebec Liberal members not to have the motion presented. The same day, those hon. members met a FPU delegation and told them they would ask the minister to apply that measure. Mr. Speaker, if that is not playing politics, it is childish indecency. I think it is time—

Mr. Pinard: Mr. Speaker, I rise on a point of order.

Mr. Matte: I think it is time people realize that a majority government abuses its powers and makes fun of people. When you tell farmers that you are going to ask the minister to grant you this or that, and when in the House instead of saying yes when it is time you say no, you are just making fun of people. I think it is a totally illogical attitude.

[Mr. Matte.]

Mr. Pinard: Mr. Speaker, I rise on a question of privilege.

Mr. Deputy Speaker: Order. The hon. member for Drummond on a question of privilege.

Mr. Pinard: Mr. Speaker, I hear the hon. member opposite blaming Quebec Liberal members for objecting last Monday to a motion put forward under Standing Order 43 about dairy producers and their claims.

I agree that his remarks respecting the needs of dairy producers are justified, but what I cannot accept is the unfair way in which he blames Quebec Liberal members, since that very day we were meeting with representatives of the APU. As far as I am concerned, I was having discussions with 400 dairy producers in my constituency, and in the evening I met with provincial representatives of the APU. Considering the circumstances, I think it is unfair to blame Quebec Liberal members for their lack of interest—

Mr. Deputy Speaker: Order. I have to remind the hon. member for Drummond that although the point he is making may be interesting, according to the proceedings of the House, he raised a question of debate, so he just should take part in the debate later and possibly controvert the arguments of the hon. member.

Mr. Matte: Mr. Speaker, we have other examples. A few weeks ago, my colleague the hon. member for Rimouski (Mr. Allard) put forward a motion to provide for a compensated discount, precisely with respect to milk. At that time, for some reason, probably through an oversight of our good friends opposite, the motion was allowed by Your Honour, and the vote was called for. Then at last we could see those who did not want a real discount to be passed on to the consumers.

Milk producers should be here in this house. They should have been here last Monday. I presented a motion and I heard again some "non". They were not "nos". Thus, the "non" were from Quebec members. Therefore, Mr. Speaker, without wishing to make any political criticism, it seems obvious that members do not unfortunately take their responsibility seriously. How can one say "oui" outside the House and "non" inside? I hope the Minister of Agriculture will finally show some logic in this situation.

Mr. Speaker, I know that the time allotted to me has almost expired. I should like to conclude by saying that the motion we presented is important and that it deserves the attention of the House. Our party may not be composed of many members but we do not have any reserved rights either on our solutions and we are ready to cooperate with this government to enable it to apply them. One wishes that one would not hear any more during election campaigns, as I heard in my constituency, the following words: "We take everything that is good in the Social Credit Party and apply it." We know that whenever we make proposals in this House, members seem to disregard them, make them look ridiculous and fail to realize that we are serious and want to contribute to the well-being of all Canadians.

● (1540)

[*English*]

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, ordinarily the Minister of Finance (Mr. Turner) would enter this debate on behalf of the government, but infortunately he had a prior engagement that he could not break so he asked me to make a contribution.

The motion put forward by the Social Credit Party seems to me to be a rather strange one. Let me elaborate on what I think are certain peculiar characteristics of the motion. The motion condemns the government for inaction in the fight against inflation. There may be some in the House who would take this point of view, and I am sure that from the other side of the House those particular sentiments will be echoed a number of times before the end of the day.

I should like to recall to the House that when the hon. member for Abitibi (Mr. Laprise) spoke in the debate on the motion of the New Democratic Party on March 13, he contended that the more the government fought against inflation, the worse it became. As reported at page 4077 of *Hansard* he said:

> I could almost ask the Minister of Finance to cease fighting, since the more he fights, the worse things turn out.

In today's motion the hon. member for Champlain (Mr. Matte) deplores what he considers to be the inaction of the government in the fight against inflation. That is one of the least peculiar aspects of the motion. It is far more notable for the manner in which it dismisses reality through its denial of inflation as an international problem. I would point out to the House the terms of the motion which reads:

> That this House deplores the inaction of the government in the fight against inflation on the fallacious pretext that it is an international problem—

Virtually every developing and developed country in the world is suffering from the effects of sharply increased costs and prices. Surely there would be general agreement on this fact even from my hon. friends in the Social Credit Party. As of January the average year-over-year increase in consumer prices in all 24 member countries of the OECD—which comprises the most developed countries of the world—amounted to 13½ per cent. For the OECD countries in Europe—that is, excluding Canada, the United States and Japan—the percentage average was 14.3 per cent. Over the same period the increase in Canada was 12.1 per cent. I think it should be admitted in any discussion of the problem of inflation that it has at least some international aspects.

The International Monetary Fund, which is a considerable authority in this field, declared in its 1974 report that in mid-1974 the world economy was in the throes of virulent and widespread inflation. In its Economic Outlook of December, 1974, the OECD pointed out that member countries were suffering from the after-effects of the excessive demand that they allowed to build up in 1973 and from the external shock of the sudden and sharp rise of oil prices. This is some external evidence that it is not a fallacious pretext by the government that inflation is an international problem.

Let me quote from the annual report for 1974 of the governor of the Bank of Canada which was tabled in the House only yesterday. This is the latest report of the Bank of Canada. The governor pointed out that common forces have been making their impact felt on the economies of all countries around the world. He said:

> The origin of these common forces was the recent worldwide inflationary boom, a boom generated by the highly expansionary monetary and fiscal policies followed in virtually all of the major industrial countries in an effort to restore high levels of output and employment following the economic slowdown in 1970.

So we have evidence that this is not a fallacious pretext; there is in fact an international inflationary situation. We can talk about the extent to which it has influenced events in Canada, but it exists as a fact and it is not fallacious. The governor pointed out that this upsurge in economic growth caused global demand to outrun the global supply of primary commodities. He said:

> At the same time it created all sorts of other shortages and extremely tight labour markets... In these circumstances price increases grew larger, more frequent and more general... The inflationary process was substantially reinforced by shortfalls in supplies of food grains and animal feeds, and later by a fourfold rise in the world price of oil.

These are facts, not fallacious arguments. This is not drawing particular facts out of the situation. What exists is a worldwide inflationary situation, and to dismiss it as a fallacious pretext is to deny the obvious. As one of the world's major trading nations and one of the important participants in world capital markets, there is simply no way that Canada could totally insulate itself from adverse developments abroad, certainly not from a worldwide inflationary movement. Our economy has in the past benefited substantially from these trade and financial ties with the rest of the world, but we have no other choice than to face the consequences that flow from these ties when the whole world is in trouble. To suggest that somehow we can at such times withdraw, untouched, behind the walls of a fortress Canada is absurd, even ludicrous.

It is true, as the Minister of Finance pointed out in a speech to the Canadian Club in Toronto on January 27, 1975, that the nature of the inflationary problem is changing in a fundamental way. I do not think anybody, particularly on this side of the House, would deny that the nature of the inflationary forces at work in Canada have changed, but it is one thing to say that and another to deny that international inflationary forces have had an effect upon Canada. The Minister of Finance said then, as I have also had the opportunity of saying from time to time, that initially the forces of inflation were set in motion internationally by the worldwide boom that caused demand for many commodities to outrun available supply, compounded by the quadrupling of world oil prices.

In his speech on January 27 the minister said that the major driving force is coming from the rapid escalation of wage and salary costs as those who work in every country press for increased incomes to at least keep pace with the rising cost of living. In its Economic Outlook for December, 1974, to which I referred earlier, the OECD came to a similar conclusion. The report states that earlier in the year the rise in oil and other commodity prices played the main part in generating inflation but now it is the rise in

wages which is maintaining the inflation at much the same high rate.

● (1550)

The substantial increase in wage and salary costs in virtually every country is clearly a response to the sharp increase in the cost of living that began to develop because of international inflationary pressures. This development is neither surprising nor exceptional; we have seen it before and we are seeing it now. No one wants to see his standard of living eroded by inflation—not even members of parliament, let me add. It is fully to be expected that all Canadians, including members of parliament, will want to obtain a sufficient increase in income to at least keep pace with rising costs. As a government, we understand and support that ambition; we have done it with deeds, not just with words. We have done more than virtually any other country in the world in attempting to get to the root of the inflation problem while at the same time attempting to maintain reasonable economic growth and helping to offset the adverse effects of inflation on Canadians, particularly those on low and moderate incomes.

Let me give some examples. We have done this by adopting a deliberate policy of encouraging increases in productive capacity and output to combat inflation and expand employment; through tax cuts and other incentives to encourage expansion in business capital investment in manufacturing and processing; through measures to maintain and expand housing constructions, stabilize farm income and encourage expanded agricultural production.

We have tried to maintain a reasonably accommodating monetary policy that has tried to avoid the kind of credit crunch experienced in the United States. We have tried to avoid crippling wage and price controls, and in that had the support of the Canadian people. We adopted a strongly expansionary budget in November to offset economic drag caused by continuing stagnation abroad, by providing stimulus through tax cuts rather than through increased expenditures in order to avoid the adverse impact of inflation. We have adopted in the past few years more wide-ranging measures than virtually any other country to offset the adverse effect of inflation on Canadians, particularly those on low and moderate incomes.

We have adopted policies to maintain incomes, particularly the incomes of those hardest hit. We have indexed fully family allowances and old age pensions. We have indexed personal income tax and adopted policies to offset the erosion in the value of savings and measures to encourage additional savings. I cite as examples the $1,000 reduction for dividend and interest income as provided in the last budget, plus similar deductions for income from private pension plans and the $1,000 tax-free deduction for certain forms of contributions.

Let me repeat what I said earlier. I do not think any country in the world has been as effective as we have in introducing wide-ranging measures to deal with inflation in such a way as to minimize the effect on employment. This government was absolutely determined that it would not try to fight inflation by creating unemployment. We have taken whatever measures we can to assist employment. I think the test as to how much better we have handled these problems than our great neighbour to the south lies in this fact: whereas in former years we always reckoned that our rate of unemployment would be slightly higher than that of the United States, today it is substantially less in percentage terms.

Mr. Stanfield: You are not through it yet.

Mr. Sharp: As the Leader of the Opposition (Mr. Stanfield) says, we are not through it yet. That is why this government has never attempted to create false hopes: we have been realistic. The Prime Minister (Mr. Trudeau) said the other day when answering a question that he was cautiously optimistic. That is the right attitude in these circumstances. Our attitude should not be one of doom and gloom but one of cautious optimism, because I think there are grounds for optimism. But we do not want to give the impression there are no problems; there are serious problems.

Mr. Stanfield: Tell us about the consensus.

Mr. Sharp: I will. Before I finish my remarks I may have an opportunity to say something about it.

Mr. Hees: We will give you extra time if you want to talk about the consensus.

Mr. Sharp: Thank you. The measures I have outlined, which were reinforced in the November budget, not only help to offset the impact of inflation but provide a strong underpinning of the economy and help to offset the impact of slow growth abroad. That slow growth is a fact; it cannot be overlooked. There is a recession in the United States, and the rate of growth in Europe is practically nil; it has flattened. We cannot change that fact but must do everything we can to offset what is happening in our markets abroad.

The success of the measures I mentioned just now is reflected in the fact that real disposable income per capita, after direct taxes and discounting inflation, was up 3.3 per cent in Canada in 1974. That compares to a decline in the United States of 3.4 per cent. In other words, personal disposable income per capita in Canada, after discounting inflation, rose 3.3 per cent but in the United States it declined by 3.4 per cent. That is a measure of the success of what we have done in our far-ranging attack on inflation.

Mr. Hees: Don't break your wrist trying to pat yourself on the back.

Mr. Sharp: The government is concerned about the danger that arises from the possibility that some groups in our economy may attempt to do very much better than keep pace with the cost of living by pressing, by way of insurance, for increases in income from whatever source that go far beyond any reasonable expectation about prospective inflation rates.

Mr. Stanfield: You mean people like dredgers.

Mr. Sharp: We believe that if such efforts are made on a large scale and are successful, they will have the effect of a self-fulfilling prophecy. That is the nature of the problem with which we are trying to cope. The consultations

which have taken place with various economic groups in the country were for the purpose of trying to avoid this very danger. We embarked on a series of discussions with various groups in our country in order to seek accord on national goals for steadily reducing the rate of inflation. We wanted to discuss with them practical and acceptable means for achieving these objectives. This particular effort, I believe, is going through the concluding phases of the first stage.

Mr. Stanfield: The twilight of the gods!

Mr. Sharp: I hope that in the near future there will be an announcement about the beginning of the second stage, which I think will do much to bring about the co-operation without which the problems I alluded to cannot be successfully attacked. Some, like the official opposition, think we should impose wage and price controls. Others take the view that somehow the government will come forward with a scheme of guidelines without the co-operation of unions or employees. This view has been discredited by the government and, fortunately, by the people as well.

Mr. Hees: Think of John Young.

Mr. Sharp: Let me turn, now, to another aspect of the motion. It calls on the House to blame the government—

● (1600)

—for ignoring the concrete proposals of the Social Credit Party for eliminating the unjustified increase in the cost of living; in particular the proposition according all Canadians consumers a compensated price on all Canadian food produce.

We on this side of the House will be waiting with considerable interest to learn—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. minister, but he will require an extension in order to complete his point. The problem is in the hands of hon. members. Is there consent to allow the minister to complete his remarks?

Some hon. Members: Agreed.

Mr. Hees: Mr. Speaker, I rise on a point of order. We will give the minister any amount of time if he will tell us about the consensus.

Mr. Sharp: Mr. Speaker, we have been endeavouring to explain a concept that the opposition finds impossible to comprehend, probably because they have a one-track mind. They say the only way to control inflation in this country is to proceed by way of wage and price controls, notwithstanding the fact that this was rejected in the last election. They do not understand any other approach. They believe this is the panacea. We reject it, and we do not intend to follow it. We are looking for much more constructive ways to deal with the problem. I am sure the result will be a continuation of the successful efforts that have been made in this country to deal with this problem. As I have said, it is a record that compares favourably with any other country, and it is certainly very much better than that of the United States, Europe or Japan.

I shall conclude these remarks by dealing with the second part of this motion.

Mr. Knowles (Winnipeg North Centre): This is the end of the beginning.

Mr. Sharp: When we listen to the speech of the spokesman for the official opposition I hope we will learn whether the official opposition is going to support the proposition that there should be extensive subsidies to the consumer, at great public expense.

I listened to the spokesman for the official opposition when dealing with the question of inflation. At one time he talked about the necessity of restraining public expenditures, and another time about reducing taxes. On February 16, the Leader of the Opposition talked about these problems. He said that even talk about injecting further stimulus into the economy scares the life out of him. I wonder whether, when he said that, he was thinking about the hon. member for York-Simcoe (Mr. Stevens) who talks about a big tax cut as a means of stimulating the economy. This is why I will be very interested in hearing the official opposition deal with these contradictions in their position.

As far as the government is concerned, we do not think that the direction proposed in the motion of the Social Credit Party, of paying massive consumer subsidies, is the way to deal with the problem. From time to time we have used subsidies and we may again in the future. However, in our view, to inject massive subsidies of this kind would simply stimulate inflation and would not be a protection against it.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, we agree with the words of the motion, "That this House deplores the inaction of the government in the fight against inflation on the fallacious pretext that it is an international problem . . ." I listened with interest to the President of the Privy Council (Mr. Sharp). I expected a little more elaboration from the government as to what, in fact, they intend to do to correct the two most severe problems in the country—inflation on the one hand and rising unemployment on the other.

The government has tended to give no guidance to the country to help individual Canadians respond properly in today's confused economic climate. They simply rely on a touch and feel type of approach to the economy. I can only gather that they themselves do not know what to do at the present time. The President of the Privy Council tended to take great credit for the past and indicated the government had taken constructive measures to relieve inflation and, presumably, create employment. He was non-committal as to what, if anything, the government feels should be done in the future in order to counteract the two problems to which I have referred.

It is time the Minister of Finance (Mr. Turner) clarified, for the people of Canada, whether he believes his November 18 budget is all that is required to offset unemployment on one hand and relieve inflation on the other. So far we have had no indication from the Minister of Finance as to his final conclusion. He tells us he is looking at the international scene—the situation in the United States, Europe and Japan. He wants to see how his budget will react in Canada. In the meantime, he will not give any commitment as to where he believes the economy is going to turn and, generally speaking, whether any new meas-

ures are required on the part of the government to counteract the two problems to which I have referred.

This government have lost their way so badly that today they are unwilling to give any indication of what they anticipate will be the unemployment rate during 1975. They will not indicate what the real growth in the country is going to be, nor will they even forecast the inflation rate. We cannot get any type of evidence as to how many housing starts there will be. Why should they feel they can govern in such a vacuum when the governments of every other western industrialized country come clean with their people, tell them what they forecast for the economy in the ensuing year and what their fiscal and monetary stances are to ensure that those forecasts will be met? I point this out because it is particularly significant that the banks and other credible advisory services have predicted what will transpire in Canada. Because of this government's habit of keeping things secret—presumably because they do not want to disclose their ignorance—these economists are required to make their forecasts without the benefit of a federal government forecast as to what will transpire in this country.

I refer to the fact that Wood Gundy made a 1975 forecast. Canadian Pacific Limited, Du Pont of Canada, the Royal Bank of Canada, W. A. Beckett Associates, Burns Brothers and Denton, Royal Trust, Brault, Guy, O'Brien, Canadian Imperial Bank of Commerce, MacMillan Bloedel, Richardson Securities of Canada, and McLeod, Young, Weir and Company all made forecasts as to what they anticipate will be the economic facts of life in 1975. But not our leaders, the federal government. The Conference Board of Canada made forecasts, as did a University of Toronto group headed by Messrs. Jump and Wilson. Could it be that the reason the federal government has not made forecasts is that they feel the forecasts they would make would be so alarming to the Canadian public that they would cause undue pessimism?

● (1610)

I ask that question because it is interesting to note that in the forecasts I have referred to, the best real growth increase forecast by anyone to date is 2.5 per cent in 1975. There are economists who predict a real growth rate this year of zero per cent. Those who have been willing to put their names on the line are forecasting that Canada's real growth rate in the current year will be between zero per cent and 2.5 per cent. Bear in mind that 2.5 per cent, with our population increase, means that on a per capita basis there is really zero growth in this country. If in fact we do have zero growth in aggregate terms, then with our population increase we will have negative real growth on a per capita basis.

Some economists predict that inflation this year will be no lower than 8.5 per cent and it could go as high as 10.5 per cent. These economists point out that the average unemployment rate in the country will be a minimum 6.6 per cent, though some predict it could go as high as 7.7 per cent. Surely the government owes it to the Canadian people to tell them what it sees in the current economic climate for Canada.

The University of Toronto Economic Outlook for 1975 to which I have referred makes a very interesting forecast both before the effects of the November 18 budget and after. For the President of the Privy Council to mislead the House in the way he has concerning the economic effect of the government's budget is unforgiveable. This forecast of the University of Toronto was supplied to the government. In fact, the forecast is run off on the very computer used by the Department of Finance.

The University of Toronto makes it clear that inflation, for example, is estimated to be 10.67 per cent in 1975, that the net change in the inflation rate from what it would have been without the November budget is 0.18 per cent. In other words, less than one-fifth of 1 per cent is the net effect on inflation of the government's current budget. This is why we support that part of the resolution of the Social Credit Party deploring the inaction of the government in the fight against inflation on the fallacious pretext that it is an international problem. The University of Toronto forecast shows that this government, through its budgetary measures to date, has done virtually nothing to lessen inflation in this country.

Yesterday the governor of the Bank of Canada made it clear that the suggestion that somehow or other international forces are causing inflation in Canada is not correct. At page 5 of the annual report of the governor of the Bank of Canada to the Minister of Finance, for 1974, the following is stated:

> Up to the present the rapid pace of increase in the price level in Canada has continued largely unabated, although the forces propelling it have changed substantially. Prices in Canada are no longer subject to the influence of sharply rising international commodity prices nor, apart from a few exceptions, to the upward pull of excessive foreign and domestic demand on industries already producing to the limits of their capacity.

Unless the government wishes to disagree with the governor of the Bank of Canada, surely it should accept that this old, lame excuse that it can do nothing about inflation in Canada because it is an international phenomenon is not valid today. The truth is that some hard economic situations face us in the future. We have an unemployment rate that is unacceptable; we have an inflation rate that is unacceptable. We believe it is time the government stopped its consensus chats which seem to be droning on and on. It is encouraging to hear the President of the Privy Council say that he thinks the phase they are in now is going to stop and they will shift into a new phase. But judging from past experience we may find that the government is systematically using rhetoric instead of action to get itself through a difficult period.

I should like to put on the record certain other facts to be found in the report of the governor of the Bank of Canada. At page 7 the following appears:

> From early 1973 to the late summer of 1974 the monetary policy followed in Canada was directed at offering increasingly strong resistance to the excessively rapid growth of aggregate spending that was then occurring. Although the total quantity of goods and services that the Canadian economy is physically capable of producing cannot be expected to increase by much more than about 5 per cent annually, the rate of increase of national expenditure in money terms reached a peak of about 20 per cent a year as recently as late 1973 and early 1974. The longer such a high rate of growth of aggregate spending continued, the longer a high rate of inflation of the general price level would have been inevitable.

In plain, everyday language, Mr. Speaker, what the governor is pointing out is that the monetary and fiscal

stance adopted in Canada to date has been excessive. He points out that this country cannot realistically grow in real terms by more than about 5 per cent per year. The simple fact is that if you expand the system through your fiscal and monetary policy to, say, 20 per cent a year, the excess over the 5 per cent level ends up as inflation. If the President of the Privy Council had been completely forthright today, he would have admitted that, for whatever reason the government saw fit—political expediency, I suggest—it simply overheated the economy in order to get re-elected on July 8, 1974, thus causing much of the inflation hangover we are now experiencing in 1975.

I note that the President of the Privy Council is shifting the blame, if you like, for the current inflationary pressures on the economy to those who are asking for higher income settlements. Surely this is a strange twist. The government does virtually nothing to counteract inflation, then when those who wish to re-establish their income levels to compensate for inflation take action, the government condemns them. We suggest, as we did today in a question to the Minister of Finance, that it would be in order for the government to bring some light into the arena by issuing some interim guidelines while these very long and dull consensus chats are taking place. This would allow all sectors of our economy to understand what the government feels are suitable income levels as far as increases are concerned in today's economic context. Surely the government owes that to those who are negotiating at the present time.

● (1620)

The governor of the Bank of Canada has indicated the urgency of this matter, the dire consequences that will occur and how self-defeating this process will be if it is allowed to continue. However, we get nothing from the government but double-talk in the form of suggestions that talks are going on at the consensus conferences and decisions will be made at the appropriate time. The appropriate time, Mr. Speaker, is today.

Rather than having the President of the Privy Council here, we should have the Minister of Finance using this day to present a new budget that would deal with the problems now facing this country. If the Minister of Finance is not available, then perhaps the Prime Minister (Mr. Trudeau) should have been here to explain exactly where he feels the economy is going and what measures he intends to take, through his Minister of Finance, to ensure that inflation in Canada will be brought down to an acceptable level, with the unemployment picture dramatically improved from its present and forecast levels.

In dealing with this particular subject I should also touch on the remainder of the motion put forward by the Social Credit Party. It states that they not only deplore the inaction of the government in respect of inflation, putting the blame in effect on the international problem, but they also blame the government for ignoring the concrete proposals of the Social Credit Party for eliminating unjustified increases in the cost of living, and particularly the proposition of according all Canadian consumers a compensated price on all Canadian food produce.

The Social Credit members, certainly those who moved and seconded this motion, owe it to members of the House to clarify what concrete proposals are referred to. They should also make it clear, before we vote on this motion at 9.45 this evening, what they have in mind when they refer to a proposition that would accord all Canadian consumers a compensated price on all Canadian food produce. Surely before we vote on this motion it would be in order to have a clear explanation as to what is Social Credit doctrine. Frankly, I do not know what it is and I hope between now and 9.45 we will have an in-depth explanation of what the mover and the seconder of the motion, and in fact the Social Credit party itself, have in mind in respect of the latter part of their motion. Is it what the President of the Privy Council indicates—some type of subsidization program for farmers or food producers?

Let me reiterate our belief that there is room for a tax cut at the present time in the Canadian fiscal position. We have made it clear that we believe there should be a tax cut of some $500 million. This would mean a cut of between $60 and $150 for most Canadian taxpayers. We also believe the sales tax that now exists on building products should be completely eliminated, and that the interest paid by homeowners above 8 per cent on their mortgages should be a chargeable item against income before taxes. We believe these would be worth-while measures that would tend to stimulate the economy while at the same time not being inflationary in their net effect.

I reiterate that this government has allowed expenditures to rise excessively. We are most disturbed when the Minister of Finance is so candid as to state at a committee hearing that he believes political expediency must dominate economic responsibility. The fact is that we are facing inflationary and unemployment problems today because this government has been irresponsible in its fiscal and monetary stance over the last few years.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, one of the joys I look forward to is the possibility of the Conservative Party forming the government in Canada and watching them bring in a budget that will simultaneously fight inflation and stimulate the economy. There are some able people in the Conservative Party but it seems to me, given the idea of a Conservative government, it would take something just short of a miracle to accomplish this. I am not suggesting that it cannot be done. The way to do this—I hope my hon. friends to the right will note this and perhaps do it if they form a government—is to have a massive redistribution of income from those at the top to those at the bottom. Then you could deal with unemployment, stimulate the economy and control inflation. What is called for is a sharply graduated income tax. As I say, that is a joy I look forward to some day—seeing how my friends to the right will work that out.

An hon. Member: Stick around.

Mr. Saltsman: I have at least three more years to stick around. It seems to me that on the subject of inflation there is a total absence of frankness by people who raise the issue. My original notes contained the word "ignorance", but I decided against using that word as I do not think the people who talk about inflation are ignorant. However, I do think they are being less than frank with the public when discussing the problem.

When listening to discussions on the subject of inflation one would think all people are suffering equally, when in fact we know that some people have benefited substantially from inflation while others have suffered very badly. What we are really looking at is a massive redistribution of income from one group of people to another group. Any government that seriously wants to deal with this problem must do one of two things: it either has to find a way of preventing these shifts in income from taking place in the first place, or compensate for the shifts in income to help those who are being disadvantaged by inflation.

In looking at the motion before us I find there is only one thing I can agree with, and then only partially; that is that inflation is not an international problem. There is a lot of truth to that claim, particularly as it relates to Canada. If we are talking about other parts of the world, I think inflation is almost totally an international problem and I think of countries like Britain and Japan. When we are talking about Canada, the international aspect is only a minor part of the cause of inflation here. I should like to discuss my particular reasons for saying that, but let me first deal with a couple of arguments that are inevitably put forward.

Some people like to describe inflation as the excessive printing of money. Many talk about inflation as though it is caused by having too much money in circulation and if we only stopped the printing presses inflation would go away. That is not so. What these people are doing is confusing the cause with the effect. When you have inflation, the people responsible for monetary policy are forced to issue more money in order to enable the normal transactions to take place.

● (1630)

If you have a 12 per cent rate of inflation, it is obvious that your money supply must increase by at least 12 per cent; that is, if you do not have any growth at all. You must have that kind of increase in the money supply. I see that in today's newspaper there is a statement by a very distinguished Canadian academic, Mr. John Crispo, who contends that the problem is runaway government and not runaway inflation; in other words, all the fault lies with the government. I think the government has to answer for much of this problem, but it really is not correct to be simplistic and say that it is all the fault of the government. I presume Mr. Crispo raises no objection when his salary at the university is increased. When he is compensated for the cost of inflation, he probably receives more than the old age pensioner receives over the period of a year. So it is quite easy for him to make that charge against the government.

It seems to me that the causes of inflation over the last number of years are quite clear. Half of the inflation with which we are dealing has been caused by increases in the price of food. I say this very bluntly because it seems everybody beats around the bush whenever they talk about the cause of inflation. Somehow or other one particular group—I refer to the farmers—is never involved in the cause of inflation. They want to ignore the facts. It is the price of food which always starts the spiral, and it always has been that way. We could go back to the corn law. Why did the enlightened British government of that day want cheap corn? It was so that wages could be lowered. When the price of corn went up, wages had to go up in order to compensate.

When the price of food goes up, everything else must go up with it. People say that is an international problem. Even with the fact that Canada is a major exporter of food, it is still an international problem because the price of food goes up internationally and we have to follow suit. So to that extent it is an international problem. But if in fact we had wanted—I am not suggesting we should have done this—to control the price of food, it could have been done. Some people might say, let us compensate for it; let us make payments to the consumers as a way of keeping the price of food down. What difference does it make whether it comes out in the price one pays at the store or in the form of taxes to pay the subsidy; the net effect is still inflationary.

There may be very good reasons why the price of food has increased. My own view is that the price of food over the years has been too low to provide a decent return to the farmer and in fact an adjustment was necessary. However, I am afraid it did not stop at that adjustment. We know the reason the price of food has gone up internationally: the world population is exploding; there are more mouths to feed and there is finite land on which to grow food to feed them. Also, there has been a drought. These are all understandable reasons, but let us state them. Let us be blunt and straightforward about what is causing inflation, because before we can deal with the problem we must make a complete analysis of it to understand what it is. So I suppose the government and the farmers might argue that this is an international phenomenon, that food prices went up internationally and this is why we are paying more for food. The fact is that prices did not have to go up in this country had we wanted it otherwise. They did not go up in this country as much as they did internationally, because of the two-price system on wheat.

Let us take another main cause of inflation, the price of energy. One could say that is an international phenomenon. The Arab countries formed a cartel and raised the price of oil 400 per cent. The cost of production did not go up in Canada, but the province of Alberta wanted the price to go up by 400 per cent. I do not see my friends to the right, who are so concerned about inflation, criticizing the province of Alberta for being such a major contributor to inflation. Admittedly, arrangements were made so that Alberta did not take the full price, and we are very grateful for that. I am not saying this to point the finger at Alberta or at the farmer; I am saying it merely to point out that everyone is guilty and everyone contributes to inflation.

Everybody takes a holier than thou attitude. Everybody pokes the finger at the other guy and says the worker is responsible for this situation, the farmer is responsible for it and Alberta is responsible for it, when in fact everybody is playing the same game. Until we all stop playing that game we must compensate those who are hurt because of the consequences of inflation. This is really the only point I am attempting to make. In fact, Canada has done better than other countries in the fight against inflation—for two main reasons. The first is that the farmers have been prepared to take lower than world prices for some commodities, and the oil producing provinces of Canada have

agreed to take less than they could have received on the international market.

In fact, there has been more than a gesture from both those areas of our economy as a contribution in the fight against inflation. However, it is not the case that the farmer and Alberta wanted to do this voluntarily, because the minute the international price went up they said they wanted that price. But I am sure they would both disown their contribution to inflation.

There is another factor over which I do not think we have much control. I refer to the rising price of services generally, not government services alone but every kind of service being performed in our society. These are areas, essentially, in which productivity cannot be increased. These are areas in which the people look around and see vast increases in other sectors of the economy, and their efforts to catch up have an inflationary effect. This is something we will have to live with. Of course, the imports which come into Canada represent something else we must live with. But to say that inflation is caused internationally is only to say that because you have the power in the country, you want whatever you can get under whatever circumstances you can get it.

Now let us look at some of the winners and losers. It is true that some farmers have done well in the last number of years, but other have done very badly. Many beef producers are on the verge of bankruptcy. Why? Because the price of grain has risen and their other prices have gone up. Beef is still higher than it has been for a long time, but the price of grain is going up even higher. So even within one group, whether it is the farmers or a province, you have the winners and the losers and you have disproportionate benefits going to one as against the other. Alberta is a very fortunate province. It is still the only province in Canada that does not have a sales tax.

An hon. Member: It has a good government.

Mr. Saltsman: Yes, it has a very good government. It created its own oil: you know, it waved a magic wand over land which did not have oil, and all of a sudden there was oil. Maybe the Social Credit Party could do that, but I do not know whether the Conservative Party is capable of such miracles. A government can be very good if it is lucky. There are other Conservative governments that are not doing as well. The point I am trying to make is that Alberta is a fortunate province, and I am glad about that.

If you have a period in which the price of oil is rising very sharply and the price of natural gas is rising very sharply, while the province is siphoning off the bulk of the revenue for itself, the people in that province will benefit and the people in the other provinces will not benefit to quite the same extent. So you have a massive redistribution and shift of income just as you have a shift of income between the western world and the OPEC countries—a tremendous shift of income: the kind of moneys flowing into the OPEC countries are almost beyond counting. We have this kind of a transfer going on. Of course, the OPEC countries will say this is only just, and that it is long overdue because the western nations have been exploiting them and they are just getting back what they are really entitled to. I do not want to deal with that argument today, except to ask hon. members to recognize the kind of shifts that are taking place.

Right now labour is being pointed to as contributing to inflation. What we quickly forget is that over the last three or four years business profits have increased at a phenomenal rate at a time when labour has not been keeping up with its share of inflation. If labour now tries to recoup for the increase in the price of food, the increase in the price of energy and for the fact that the firms for which they work are more profitable, should it come as any great surprise? Some sectors of labour are guilty just as the other elements of our economy are guilty. Some sectors of labour which have strong bargaining power are also taking advantage of the situation. Therefore I will not exonerate any one group.

● (1640)

The hon. member for York-Simcoe (Mr. Stevens) suggested that we should incorporate in our tax system a provision for the deducting of interest payments on mortgages—this in a tax system that already favours home owners as against those who pay rent. This suggestion comes from an hon. member who is concerned about fairness. How fair is that? In many cities of Canada, 50 per cent of the population do not own homes; they pay rent. Is he going to provide that advantage to those fortunate enough to own a home, and will he compound the advantage they already have by giving them advantages under the tax system? I do not see how he is going to fight inflation in that way, as in many ways the person who owns property benefits during a period of inflation because the property is appreciating continuously. Why should further benefits from the tax system be added to that benefit?

Let us consider the people who are disadvantaged. These are the people who are living on government transfer payments. It is not enough simply to say we will give them an increment to compensate for increases in the cost of living. If the cost of living has gone up by 12 per cent, should we give an old age pensioner only 12 per cent? What are we talking about? It amounts to only about $150 or $160 a year: that is all a 12 per cent increase means. What does it mean to a member of parliament, at the existing salary? It amounts to over $2,000. So if you apply a 12 per cent cost of living increase across the board, the cost of living increase for a member of parliament is more than all the income a pensioner has with his pension and the increment. What kind of fairness is that?

I think what we should be doing is finding a more suitable index that we can use to assist those who are on fixed incomes or transfer payments from the government. There are two ways of doing that. One way is to make a determination of what increases accrue to the average family during a period of inflation; it might be $300 or $400 a year, in which case—if you are going to give a cost of living increase—it means a $300 or $400 demogrant for everyone, for those at the bottom and those at the top. That would be more just then a percentage increase.

Another way is to apply an industrial index because the real standard of living in the industrial sector is rising faster than the actual cost of living. If you are living in a society where that is happening, that society has an obli-

gation to its old people and to those on transfer payments to ensure that at least they keep up with what is happening in other sectors of the economy. The third thing that we could do is increase taxes steeply beyond a certain point so that those who get substantial benefits from their bargaining power will at least pay some of it back to provide transfer payments for those who do not have the bargaining power.

Those are some of the things we can do. However, we can only do them if we face the situation realistically instead of pointing the finger and saying that the government is guilty or one or another sector of the population is guilty, when in fact the whole of society has become grossly unfair, particularly to those living on fixed incomes and transfer payments.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I am pleased to second the motion proposed today in this House by my hon. friend and colleague, the hon. member for Champlain (Mr. Matte) and which reads as follows:

That this House deplores the inaction of the government in the fight against inflation on the fallacious pretext that it is an international problem and blames the government for ignoring the concrete proposals of the Social Credit Party for eliminating the unjustified increase in the cost of living; in particular the proposition according all Canadian Consumers, a compensated price on all Canadian food produce.

This is, Mr. Speaker, a motion that we have long been wishing to propose in this House.

I wish to thank particularly my colleague for having proposed this motion in this House. It was proposed mostly because Canada continues to suffer from a noticeably higher inflation rate and also because of the many inefficient measures that the government continues to introduce to check that terrible plague called inflation.

Mr. Speaker, I seriously think that, the situation requiring immediate action from the government, the only position possible for a member of parliament must be to look for solutions openly, without any spites or partisanship in the shortest time possible. And the problem we have to resolve is very important and not easy to deal with. The problem is now more acute as a result of the constant increase in the cost of living. This government does not offer any valid solution to fight price increases. The measures proposed by this government are absolutely inadequate if we consider the present state of our economy. Everybody knows that inflation consists of an economic situation where prices are rising and that the situation has never been so dramatic in Canada since the big economic crisis of the 30's. Besides, a look at statistics reveals that since 1933 the consumer price index decreased only twice, in 1939 and 1953. We learn that consumer prices have been climbing steadily for the last 20 years and that our dollar is now worth only half what it was merely 20 years ago. What is even more significant and disquieting, prices are increasing ever more rapidly, since the prices of the necessities of life have skyrocketed. Furthermore statistics show that in 1974 the price of bread increased by 28 cents, sugar increased by more than 123 per cent and finally the price of potatoes also went up. It is easily seen that necessities of life reached unbelievable levels, compared to what they cost a few years ago.

[Mr. Saltsman.]

● (1650)

It can be seen how much small-wage earners are burdened by inflation, because price increases are especially felt at the consumer level. Nobody escapes it, but unfortunately people in lower income groups are hardest hit. Most of their income is used for buying food, because they must eat every day as we do.

We all know that inflation has been the most urgent economic problem facing developed countries of the world during these last few years. Indeed, no nation escapes it. It is a well known fact that inflation has been the subject of endless talks. But in the final analysis, no real measure was taken to control it. Governments are looking for and trying all sorts of ways to cure their economies. But after a while, every measure proves less and less effective, and inflation is always there. Governments and government economists realize full well their efforts and their austerity measures will not abate it.

Canada is not the only country hit by inflation, but we feel the crunch nonetheless. Since 1972, the rate of inflation has been on the increase. Sales prices in the manufacturing industry rose nearly 35 per cent during the last two years, as compared to 27.4 per cent in the 11-year period from 1961 to 1972. Wholesale price statistics indicate the corresponding increases were 33 per cent and 49 per cent respectively. So inflation is not abating, far from that, it underwent rapid acceleration, considering that since World War II, the cost of living has never soared that fast during a 12-month period. As a matter of fact, the rise in the cost of living was the highest since 1948, namely 12 per cent. The aggregate index of the cost of living increased by 1.1 per cent last November, to a level 12 per cent higher than that of November 1973. If I am not mistaken, the last time the cost of living increased more rapidly was between October 1947 and October 1948. During this period, after the removal of price controls imposed during the war, a rise of 12.2 per cent had been recorded.

According to Statistics Canada, during the last 12 months, grocery bills have increased by 15.7 per cent and the price of meals in restaurants, by 18 per cent.

We are living through very difficult and critical times. We are even on the threshold of an economic depression which could reach catastrophic proportions and challenge the very stability of the society in which we live. In the face of that, what does the government do? Not a thing. The ministers are quite content with saying that the disease is an international phenomenon, that we must bear with it patiently. In truth, they do not know what to do, they do not understand the real causes of inflation and, in any event, they do not seem to be any more concerned about its inevitable consequences.

The inflation we are cursed with is, to a large extent, the result of past errors of Canadian monetary and fiscal authorities. Those errors will be repeated again if we do not put a stop to it all. The government will not be able to destroy the healthy virus of soaring prices until such time as it takes the trouble of pulling out of a financial system that does not truly correspond to the facts of production and consumption.

To meet increasing prices, the purchasing power must also be increased without, however, lowering prices. More money must first be distributed to the consumers.

Now, it is realized that the system only distributes money for participation in production, such as the payment of salaries to employees or dividends to shareholders. So all this money is included in prices.

The accounting of the current monetary system is actually wrong. Only an honest accounting would bring inflation under control without interfering with the legitimate interests of the people. Madam Speaker, an honest and realistic monetary accounting would allow the implementation of the financial theories which economics engineer C. H. Douglas put forward half a century ago and which are known today as Social Credit. If such accounting methods had been adopted, I am sure that the resulting reform would have spared the Canadian people quite a number of changes.

The very price increases show how faulty the present system is. In my opinion, Madam Speaker, if the financial system was truly realistic, there would be no inflationary trends, but on the contrary, prices would drop steadily, while technological advance and updated methods would both increase and facilitate production.

No doubt we all know that the essential function of a healthy economic system is above all to supply and deliver goods to meet the normal needs, either private or public, of its people.

May I call it five o'clock, Madam Speaker?

The Acting Speaker (Mrs. Morin): There is no private members' hour today.

Mr. Gauthier (Roberval): If the system fulfils this function, then, where does inflation enter the scene? Where is inflation when facts govern the financial situation? In fact, the objective of the Social Credit is precisely to create a financial system supple enough to adjust itself to reality, a system which could be geared to every development within the economy to any degree of mechanization or automation, a financial system of service rather than of hindrance or domination. The relations between inflation and unemployment have been for several years one of the most controversial issues of the financial analysis. Besides, we now have in Canada a rate of unemployment that is much too high as well as a shortage of consumer goods. In addition, we find that the Minister of Finance (Mr. Turner) was right when he predicted last fall that there would be a higher rate of unemployment in the coming months as well as a drop in production before the end of the year. As time goes by, it is realized that the more the government fights unemployment, poverty and inflation, the more serious those problems become. I really think it is time the government found other solutions and sought the causes of the excessive rate of unemployment, of the fast increasing rate of inflation and of all resulting problems. That situation has become unbearable, since with the current inflation rate, it has become almost impossible to save today, because inflation deprives us of any revenue that might accrue from our savings.

● (1700)

It is apparent that we are heading for disaster. It is time, Madam Speaker, for the federal government to take the necessary steps to provide every Canadian with the required purchasing power to honour Canadian production, which would result in increased demand. The present government have a simple and well known way of avoiding their responsibilities and duties, and forgetting present problems. Judging from the way they act, one realizes that they are unable to consider the present objectively, they just live in the past or a dream. Government members talk, discuss future problems without worrying about those which need to be solved now. Meanwhile, problems keep piling up and becoming worse, since those responsible for their solutions are more and more caught up in the machine of habit or conditioning. And yet, the present cannot be managed just as it used to be by our predecessors.

We, in the Social Credit Party of Canada, have been urging for years precise solutions to counteract the disastrous impact of inflation. We are convinced that those solutions are our only hope of avoiding a dramatic bankruptcy of our economy. In fact, one of those solutions would be the implementation of a minimum guaranteed income enabling every Canadian to live decently within the capacities of Canadian production. We from the Social Credit Party will gladly implement such measures, because families need proper revenues. In fact, we have had the answer for many years. We seriously believed that the government had understood on February 18 last, when the Minister of Health and Welfare (Mr. Lalonde) announced, in a press release read at the welfare ministers' federal-provincial conference, his plans to introduce a guaranteed income system, as well as employment incentive measures.

Finally, the main objective of this program is to offer to the workers higher incomes than those of the unemployed, with public support. This program, which applies only if people have no job, has really nothing in common with the Social Credit program which advocates paying a guaranteed annual income to everyone, whatever their employment and salary.

In the final analysis, this government's program makes a real mockery of what should be a guaranteed income paid to everyone without discrimination. This system, which is more complex than current social welfare programs, will be more expensive that the present system and will simply be adapted to the old social assistance and welfare programs. It is undeniable that inflation should be controlled. But when we see the positions taken by the federal political parties on this matter, we have to wonder if they do not want the opposite. Indeed, in my opinion, the position of the Progressive Conservatives, who simply request a freeze of prices and wages, is unacceptable. Because of all this, and because they were frightened by the results of the price and wage freeze in the United States, the New Democrats decided to change their policy—

The Acting Speaker (Mrs. Morin): Order, please. I regret interrupting the hon. member, but his time has expired.

Inflation

[*English*]

Mr. A. C. Abbott (Mississauga): Madam Speaker, I am very pleased to speak on this important motion. I am sorry that the hon. member for York-Simcoe (Mr. Stevens) is not in the House, and I am particularly sorry that the hon. member for Waterloo-Cambridge (Mr. Saltsman) is not here. Members of the New Democratic Party are normally in the House, but I gather the exhaustion that was caused last night has laid them low and they are not able to last the day.

It is also evident that members of the Conservative Party, exhausted from their efforts in debating an emergency measure on an issue that was settled before they began, find their ranks depleted. They are apparently less interested in current matters than they were in a matter that had already been settled before they returned after supper last night and which they debated into the early hours of this morning.

Unfortunately, I arrived too late to hear the remarks of the hon. member for York-Simcoe today, but they seem to have been a warmed-over version of the speech he delivered to this House the other day on the motion of the New Democratic Party. He was followed by the hon. member for Waterloo-Cambridge who admonished him, I think properly, for a "head in the sand" attitude toward the problems of the economy. The hon. member for Waterloo-Cambridge is a very respected member of the House who has the benefit not only of being a socialist but an entrepreneur and a representative of free enterprise and can look at the economy, as he does, from both ends.

I once spoke to a highly-placed official of the Liberal Party who told me that only two things had not gone up in price since the war—shoe-laces and the membership fee of the Waterloo South Liberal Association. I am sure that the high value of membership in that association has caused the price to rise; I am not so sure about shoe-laces.

The remarks of the hon. member for York-Simcoe recall to my mind the kind of negative and wholly cynical speech he made the other day. I believe that is the sort of attitude that over the last few years has denied the Tory Party a mandate from the Canadian people. The kind of issues we face today were the subject of a policy put forward by the Tories during the last election campaign, and rightly or wrongly—we on this side believe it was rightly—that policy was not accepted by the Canadian people. This policy is now cynically put forward by the current financial critic of the opposition to advance his own particular notions on how the economy should be managed. By making such statements to this House he completely distorts the efforts of this government to deal with the very serious issues which affect the economy. As reported at page 4075 of *Hansard* for March 13, the hon. member said:

> We all know the speeches which the Minister of Finance has delivered to labour union leaders, in which he has chastised them and said, "Hold your wage demands down." Surely it would have been much more fair for the Minister of Finance to have gone to those labour leaders, laid his cards on the table and said, "Sorry, fellows. In order to keep power and win re-election we tampered with the economy. We overinflated money. We spent too much. We caused inflation and we hope you will understand."

[The Acting Speaker (Mrs. Morin).]

● (1710)

Later in the speech the hon. member said, as recorded on page 4076 of *Hansard*:

> Perhaps the most important thing I could say is, why doesn't the government resign and let us get another government? It is time for the minister to act. We believe he should act by lowering the tax rate in Canada in three important areas, namely, a reduction in personal income tax, elimination of the sales tax on building materials, and the allowing of interest on mortgages over 8 per cent to be a deductible expense before paying income tax.

That tirade about government inadequacy represented the limits of the hon. member's formula for dealing with the problems we face today. Earlier the minister had told us what the government had done in the November 18 budget.

Mr. Gillies: We have the highest unemployment and inflation rates in the world.

Mr. Abbott: The hon. member says we have the highest unemployment and inflation rates in the world. That statement—

Mr. Gillies: Is true.

Mr. Abbott: —like many other remarks, is perhaps half true.

Mr. Gillies: We have the highest inflation rate in Canada's history.

Mr. Abbott: The minister said, as recorded on page 4071 of *Hansard:*

> I want to point out to him and to our colleagues in the House that we have done a great deal in an effort to protect those who are least able to defend themselves against economic cycles, against the erosion of inflation. We raised the old age pension and adjusted it against cost of living. We adjusted the guaranteed income supplement and increased it. We tripled family allowances and adjusted those against the rise in the cost of living to protect those families with small children, particularly those below the poverty line. We came up with the largest tax reduction in Canadian history, and 70 per cent of those reductions affect people with incomes of $10,000 or less. We eliminated what the hon. gentleman considered to be a regressive sales tax for all clothing, all food and all drink except alcohol. We do represent, after all, the party which brought in medicare and hospitalization programs and we are committed to a guaranteed annual income.

I ask hon. members to contrast the remarks of the minister and the policies reflected in the November 18 budget—policies from which all Canadians benefit today—with the kind of policies brought forward at the end of the remarks of the hon. member for York-Simcoe against the government for its alleged inadequacies. Even the hon. member for Waterloo-Cambridge, thought a member of the opposition, saw fit to dress down the official opposition for its willingness to assume that all inflation problems in this country are domestic in nature and have been created here rather than being worldwide. Inflation is rampant throughout the world.

Mr. Gillies: You know better than that.

Mr. Abbott: The forces of inflation were set in motion around the globe by a worldwide economic boom that caused demand for many commodities to outrun the available supply.

Mr. Gillies: What about Germany? Has the hon. member considered conditions in that country?

Mr. Abbott: The problem was compounded by the quadrupling of oil prices—that fact is well known—and the government acted accordingly. As the Minister of Finance (Mr. Turner) has frequently pointed out, now the major driving force of inflation is coming from the rapid escalation of wage and salary costs as those who work in every country press for increased incomes to at least keep pace with the rising cost of living.

Mr. Gillies: Wage settlements in Canada have been 100 per cent higher than similar settlements in the United States.

Mr. Abbott: This was not an attempt to place the blame for current inflationary pressures on wage and salary earners in Canada in an effort to impose on them the main burden for reducing the pace of inflation in Canada. It was nothing of the kind. It was simply a statement of fact. In its Economic Outlook for December, 1974, the OECD voiced the same conclusion by asserting that earlier in the year the rise in oil and other commodity prices played the main part in generating inflation, but that now it is the rise in wages which is maintaining inflation at much the same high rate.

Joe Morris, president of the Canadian Labour Congress, pointed out in an interview in the *Financial Times* not long ago that there is nothing very new about the fact that rising wages and salaries should provide the main source of inflationary pressure at this stage of the economic cycle; he said it is just the way the economy could be expected to act. No one wants to see his standard of living eroded by inflation, not even members of parliament. It is fully to be expected that all Canadians will want to obtain a sufficient increase in their incomes to at least keep pace with rising costs. The government understands and supports that ambition, not just with words but with deeds. Through a wide variety of measures—subsidization of some basic commodities, reduction and elimination of sales taxes, a degree of protection for savings, and much increased social assistance benefits such as family allowances and old age pensions—the government has made a concerted effort to help maintain the standard of living of Canadians.

This government strongly supports provisions for periodic adjustments, to ensure that wages and salaries keep pace with the rising cost of living under the inflationary circumstances we face today. The real danger arises from the possibility that some groups in our economy may attempt to do very much better than to keep pace with the cost of living by pressing, by way of insurance, for increases in income from whatever source that go far beyond any reasonable expectation about prospective inflation rates. Undertaken on any large scale, such efforts would have the effect of a self-fulfilling prophecy.

This view has been expressed by many members on this side of the House, including the Minister of Finance, and in other forums. The president of the Canadian Labour Congress, in a New Year's message, warned that in Canada individual groups may tend to look out for their own interests alone in order to protect themselves from the dangers of inflation; often they may be unconcerned or simply unaware that by doing so they are hurting other groups, thereby ultimately hurting themselves. It is for the very purpose of avoiding this danger that the federal government embarked on a series of discussions with various groups in the economy—

Mr. Stanfield: To achieve the so-called consensus.

Mr. Abbott: —discussions which the Leader of the Opposition (Mr. Stanfield) derides, in order to seek accord on national goals for steadily reducing the rate of inflation and on practical and acceptable means of achieving those objectives.

Mr. Stanfield: What are they?

Mr. Abbott: The Conservative's financial critic has voiced his dogmas, yet it can be said that the government has taken positive steps.

Mr. Stanfield: What are they? What can we expect?

Mr. Abbott: Reaching such an accord will not be easy. It has never been easy. It was not easy settling the strike which ended last night; it took a great deal of patience. The speeches made last night by members of Her Majesty's Loyal Opposition did nothing to settle the strike. It was settled by this government through negotiation and consultation. This process of consultation and discussion which is derided by the Leader of the Opposition and his party supporters is the only process by which we can bring about accord and the kind of stability so badly needed in this country and in the world.

An hon. Member: You don't believe that.

Mr. Abbott: I believe that we should consider such a course. The fact is that circumstances are very different from those we have ever confronted in the past. The world economy faces a far more critical situation than it has at any time since the last war. The classical method of halting inflation, the drastic slowing of economic growth, has become increasingly less effective in achieving its purpose. Furthermore, its cost in terms of unemployment is particularly unacceptable in this country, given the fact that we have by far the fastest growing labour force in the world.

Mr. Gillies: What trash.

Mr. Abbott: I hear groans of disappointment from hon. members opposite, but facts are facts; we cannot ignore them. These unacceptable costs have become evident in other countries, particularly in the United States and Britain. Experience indicates that comprehensive wage and price controls do not offer a viable alternative either, because they tend to retard economic growth and over the longer term may serve only to aggravate inflation rather than reduce it.

Mr. Gillies: We have inflation and unemployment.

Mr. Abbott: This method of dealing with the economy has won the acceptance of the Leader of the Opposition and especially of his financial critic.

An hon. Member: Which one?

Mr. Abbott: We do not hear too much these days about wage and price controls.

An hon. Member: Who is the Conservative financial critic this week?

Mr. Abbott: I don't know; they come and go so quickly. The only alternative left is that being pursued by Britain and the United States, namely, a voluntary national effort to gear down the rate of inflation. In contrast to the big problem facing other countries, we have the potential to maintain and even improve our standard of living over the next two or three years. Whether we realize that potential depends on whether we can collectively muster the will to reach a mutual understanding among the various groups in our economy. I quote the following recent words of the Minister of Finance:

● (1720)

No one is being asked to accept a self-imposed hardship. What I am saying is that collectively we will be a lot better off, not worse off, if we co-operate together to moderate our demands on the economy.

Those sensible words were delivered in the city of Toronto not long ago. It is even more likely to be the case if a national accord contributes to moderating all industrial strife and enables us to grow out of the inflationary cycle. There is no simple or quick answer to the problem of inflation. It does no good to criticize the government for attempting to negotiate and discuss these issues with the various sectors of the economy. It does no good to heap scorn and abuse on the Minister of Finance for carrying out the responsible policies in his budget which were only later acknowledged by other countries. Inflation will only be eradicated for all time with persistence and efficiency. There is no way in which governments acting alone can overcome inflation. Everyone has to play a part. It is this consensus the government is seeking. I hope it commends itself to the opposition as our other policies have since the last election.

Some hon. Members: Hear, hear!

Mr. J. R. Ellis (Hastings): Madam Speaker, that was a delightful speech. I can appreciate members opposite applauding it; however, it is too bad the author did not deliver it.

Some hon. Members: Oh, oh!

Mr. Ellis: I am delighted to join in this debate. I have no difficulty in supporting the first 14 words of the Social Credit motion, namely:

That this House deplores the inaction of the government in the fight against inflation—

I think that statement is probably accepted by most people in this country. In fact, I would go a step further. Not only is this government lacking in action in its fight against inflation, but it is becoming its architect and designer. One department that I watch every once in a while is the Department of Public Works which does the architectural and design work for the government. That department is one of the worst offenders. When going through the estimates recently I looked at the figures for some of the buildings the Department of Public Works is either building or planning to build. I am not sure, and I intend to find out, whether the government really believes we are going to accept the excuse that inflation caused these figures. Let me quote three or four examples.

A Government of Canada building on Sparks Street, Ottawa, close to this building, increased in cost by over $18 million, 37 per cent more than originally estimated. The cost of a Government of Canada building in Ottawa known only as No. 8 increased by $15 million, an increase of 57 per cent. The cost of a parking garage in Hull, Quebec, has increased by 71 per cent. Finally, Government of Canada building No. 3 has increased by $58.7 million, an increase of 147 per cent. We know that inflation is rampant, we know the cost of construction has increased considerably, but surely we cannot be asked to believe that inflation caused those excesses. Somewhere along the line this government has been pulling the wool over the eyes of the public.

The next ten words of this motion are not hard to live with, either. They have to do with the fallacious pretext that inflation is an international problem. Is it an international problem that the increase in the gross national product is as low as the figures related by my colleague, the hon. member for York-Simcoe (Mr. Stevens)? I do not think so. There is a definite need for increased production in this country. My party has been stressing this for some time. Some of my constituents would like to enlarge their businesses; they would like to increase production and try to stimulate the economy by hiring more people. When they go to the Industrial Development Bank they find they are still charging 13 per cent interest. They still charge that usurious rate even though the bank rate has been coming down. How a small business can be expected to grow when we have a 13 per cent bank rate, I will never know.

Is it the international pressures that are forcing this government passively to condone illegal strikes and actively to support inflationary increases? I do not think so. I do not want my friends to the left, who are conspicuous by their absence this afternoon, to think I am blaming labour for the increases in the Department of Public Works' budget. The total budget is up 23 per cent. The majority of the increases are due to the size of the bureaucracy and settlements for executive positions. The increase in the workingman's pay is not very great.

The government has cut a number of accommodation programs but it has still boosted the budget by twice the rate of inflation. In their forecast they speak of re-using some older buildings. Frankly, I am not prepared to accept the fact that this is a particularly good idea. As a matter of fact, I have been carefully watching one building in Ottawa. I have watched it since they began to gut the building and up to this point. The building, which is being prepared for the new urban affairs department, was not sound to begin with. So far it has cost $8.5 million to repair the building—70 per cent over what was originally estimated.

The Minister of Finance has asked us to show restraint in our personal spending. With costs the way they are today, we have to show restraint. I wonder whether anyone has told the Prime Minister (Mr. Trudeau) to

restrain spending. In the estimates I notice that repairs to the East Block, where the Prime Minister's offices are located, cost $7,950,000. You can build a good office building from scratch for something like $8 million. I doubt whether these remodelled offices will cause the work done in them to be one bit more efficient or satisfactory than in the past.

● (1730)

I know a lot of accommodation is needed for the extra million dollars, staff and lackeys that we have found in this department recently, but surely that is an excessive amount. The tax cut which we had asked for during the debate on Bill C-49 would have helped cut the government's income considerably and perhaps cut off some of the major spending programs that are being put before us in the estimates today.

The House leader went on at some length to talk of the wide ranging measures that are being undertaken by the government. I think the worst example yet is the Post Office. The level of service of this department has never been worse, and no one really knows what the costs of the post office department are going to be. Let me quote some of the costs that I have been watching in the estimates, again of the public works department. The postal terminal in Saint John, New Brunswick, was originally estimated at $5 million; now it is up to $8.6 million, an increase of 72 per cent. Another one in St. John's, Newfoundland, has climbed from $3.7 million to $7.7 million, an increase of 110 per cent. The Halifax, Nova Scotia, mail processing plant cost has climbed by 186 per cent. The best example of all is that the Montreal map program cost has climbed by some 300 per cent.

The impact of these figures is absolutely phenomenal. How can anyone possibly claim that the department is seriously fighting inflation when costs are allowed in one year to escalate by 300 per cent? We have heard a lot of talk about consensus. We have had the promises in the Speech from the Throne. I suggest to the House that perhaps consensus is not necessary any more, that it is too late. Perhaps it is time for leadership and firm action.

I am absolutely opposed to the last part of the motion before the House today.

I should like to comment briefly for a moment on some food items, including one item that is of particular importance in my part of the country. I refer to milk and the industrial milk program. The Minister of Agriculture (Mr. Whelan) promised the farmers of this country an answer on the support price for milk well ahead of the April 1 deadline. I asked the minister this afternoon when he was going to bring out this new price level, and he very flippantly answered "soon". That just will not do.

There is only one week left for the minister to make an announcement. Surely someone in his department, in the dairy commission, or in treasury board has some idea what the farmers are going to receive for milk this coming year. If they have, why cannot we be told? If they have no idea—and this may be the case—it is some indication of the type of leadership we have been getting.

My guess is that we will probably find out what the support price for milk is during the recess, when the minister will be able to get away with not tabling the document in an open House but will be able to slip it in quietly with the press releases for which he is so famous, hoping that it will be forgotten before we return. Let me tell him that this is one member who will be watching very carefully for the announcement, and there are a lot of farmers in my riding who will also be looking forward to it.

We are all faced with shortages of food. The cost of food is very high, but no problem is as bad as the one the farmers will face if they cannot get a decent price for their food and, as a result, no food is put on the market. I am not preaching doom and gloom, as has been suggested, but in my riding there are still many young men and women who want to get into the business of farming and who are capable of becoming good farmers, and because of the high cost they require some assistance.

There is supposed to be a federal farm program to help young people who want to become farmers. The ARDA program is designed with that in mind, as well as the farm credit program. Yet this program is operating on the basis of land values that are ten years old. The program has never been updated, and there is no way it can ever help a young farmer in view of the cost levels that we have today. The Department of Agriculture refuses to upgrade the stipulated costs, and I have a very strong suspicion that this is the sort of measure it would like to hold off on until the Ontario government has held its election, simply because the government feels it can embarrass a few people in this way. The federal government is stonewalling young farmers who want to get into farming.

I would love to support the first half of my hon. friend's motion, Madam Speaker, but because of the incredulous nonsense in the last few lines I find I cannot support it, and tonight at 9.45 I, together with many of my colleagues, will have an opportunity of voting it down.

Mr. James Gillies (Don Valley): Madam Speaker, I am delighted to participate in this debate this afternoon, and I congratulate the members of the Creditiste party for bringing the motion forward. I, too, agree with the remarks just made by my colleague. We are pleased to support the first half of the motion, but unfortunately do not agree with the last half and so therefore will vote against it.

It is very important that parliament concern itself with inflation on a continuing and constant basis because of what has happened in this country. I blame the government very much for the situation. The hon. member for Mississauga (Mr. Abbott) by his remarks shows that we have become a nation that is willing to rationalize about the problems we face. We are pretending that they are not here, that they are going away, and so we do not have to do anything about them.

The fact of the matter is that during the last two or three years major mistakes have been made in economic policymaking. The last three budgets in this country were supposed to solve inflation by increasing supply. It is impossible to increase supply and consumption at the same time, and yet this is what the government tried. The situation is analagous to the period when Lyndon Johnson of the United States said his country could have guns and butter at the same time. You cannot take more from the

economy than the economy itself can produce in the short-run. If the country needs some steel, then you build a new steel mill; but while you are building the mill and waiting for the steel to be produced you have to give up something else. The government has not understood that, and the net result is that we now have continuing inflation and rising unemployment.

The failure of the policy is self-evident. By trying to fight inflation through conventional methods—high interest rates and so forth—the Minister of Finance (Mr. Turner) has actually stopped any increase in supply, something which the government really wanted. One of the major reasons for inflation is the rapid increase in the price of housing and the decline in construction starts. We now find ourselves, after three years of mismanagement confronted with the terrible problems of continuing high levels of inflation and rising unemployment. The way the government has attempted to fight inflation is in fact the cause of most of our problems.

There is a decline in the rate of growth in the GNP. Probably in the next quarter it will be down more than it is in this quarter, and this is a clearcut demonstration of the policy failure that we have seen over the last two or three years. However, I do not particularly want to deal with these failures this afternoon; rather I just want to mention a couple of other things that I think are really more important.

● (1740)

First, one consequence of the way in which the government is approaching inflation is that we are developing a sort of fatalism about economic policy making in Canada. There has never been a time in Canadian history when the Canadian people had so little confidence in the ability of the government to make economic policy work. As one goes around the country talking with people one finds more and more of them saying, "You cannot do anything about inflation." As a consequence they are not willing to support programs and policies that attempt to fight inflation. As long as the government continues to rationalize and pretend that nothing can be done at all, and tells people that nothing can be done, nothing will be done. The price we may have to pay for this attitude on the part of the government could be very high indeed.

The second thing that is always said, because people want some type of explanation for the situation, is that nothing can be done because inflation is really an international problem. It is true to say it is an international problem, but it is wrong to say that nothing can be done. It is amazing to find secretaries of the treasury and ministers of finance in other countries beginning to pick up the language of the Minister of Finance (Mr. Turner), in the sense that they too are saying that nothing can be done because it is an international problem. George Mitchell, a member of the board of governors of a U.S. federal research group, speaking in Iowa a few days ago, said that the United States could not do too much to stop inflation as it was an international problem.

The only place people have not been saying too much about it being an international problem is in West Germany where the inflation rate is half the rate of inflation in Canada and the United States. It is a tremendous disservice to the people of Canada to suggest that because inflation is an international problem there are no domestic actions that can be taken to deal with it.

The hon. member for Mississauga said that probably the major cause for inflation was the increase in oil prices. I would ask him to take a look at a chart of the rate of inflation around the world, without any dates on it, and pick out the point in time when the increases in oil prices took place. You just cannot tell. It was a modest item, but not an important one in contributing to the present high rate of inflation.

The point I want to emphasize is that it is not sufficient to say inflation is a world-wide problem, and hope therefore that you can dismiss the problem and not have to do anything about it. The fact is that while inflation is taking place in all countries, it is only when each country decides to do something about it that the problem will be solved. The fatalism and escapism the government is perpetrating on the Canadian people are serious things, in fact some of the most irresponsible things any Canadian government has ever done.

The other thing that is happening in relation to the inflation we have is that some of the traditional views about proper economic policy are being challenged. It is an interesting question as to whether there is still a trade-off between unemployment and inflation. The government has always said it will not fight inflation on the backs of the poor, but in fact that is precisely what it is trying to do by allowing an increase in unemployment. The government hopes that there will be enough unemployment so that the rate of inflation will slow down. This probably will not work out as expected. Aside from the immoral aspects of this approach, it is probably wrong economics.

What we are really going to find is that unemployment will continue to rise, inflation will not drop very much. The old trade-off the government has always counted on is not going to work for us. Similarly it seems possible now that increasing taxes, which used to be thought of as a positive way of fighting inflation, will not work. Taxes now are simply passed on in the economy in the form of higher prices.

It also seems probable that the move toward higher interest rates will not fight inflation. Again high interest rates have been looked at as a means of slowing down levels of investment, but as they rise they are simply passed on in terms of higher prices to the Canadian people. The net result is that the traditional policies we have counted on simply are not working any longer, and the government has given way, passed over, or decided not to use what have always been the traditional policies in relation to economic activity.

In the first report of the Economic Council of Canada it was stated that the goals of economic policy making in this country ought to be the maintenance of reasonably full employment, relative price stability, diminution of regional income disparity and income disparity among people. What has happened to these goals? We now have the Economic Council saying, and the government of Canada accepting the proposition, that the real goal of Canadian economic policy should be to have less inflation than other countries with which we trade. What a cop-out that is. If we adopt that position what we are really saying

is that no matter how badly other countries, particularly the United States, manage their economies, as long as we manage ours slightly better that is all that counts. Surely that is not a satisfactory situation.

It seems to me of vital importance that we recognize that we cannot keep telling the Canadian people we can do nothing about inflation, that it is a world-wide problem, and that as long as there is inflation in other countries we are helpless. We cannot continue to do that sort of thing, because if we say that over and over again pretty soon people will begin to believe it. Once the Canadian people begin to believe such nonsense then they will not co-operate in any policy trying to solve the inflation problem.

I suggest that speeches such as the one made by the hon. member for Mississauga this afternoon do great harm because they reinforce the idea among Canadian people that we really cannot cope with the economic problems we are facing. I am sorry I did not hear the speech of the President of the Privy Council (Mr. Sharp), but if he said the same thing as the hon. member for Mississauga I would suggest that he, too, is doing a great disservice to the Canadian people.

Mr. Sharp: Would the hon. member deny that there is international inflation?

Mr. Gillies: Not at all. No one ever suggested that there is not international inflation, but it is a great mistake to jump from that to the suggestion that no country can do anything about it. It is a great mistake on the part of this government to say, over and over again, that we cannot do anything about it because inflation exists all around the world.

The point is that the government will not take strong action if it perceives that the people of the country do not want it to take strong action, and the people will not want the government to take strong action as long as the government keeps telling them nothing can be done. In this way you get into a hopeless circle.

One wonders why people keep asking why the government does not take stronger action against inflation, but I think the answer is very simple. The government does not take stronger action because it does not believe at the moment that people want stronger action taken against inflation. I repeat that people do not want that stronger action taken because the government has told them over and over again that we cannot do anything about inflation. This is a very dangerous direction in which to move. What is going to be the upshot of this situation? People talk and worry about inflation and rising unemployment.

Let us consider the situation in the United States, which is deteriorating very rapidly. In that country the inflation rate may go down to 8 per cent by the fourth quarter. The government is talking about stimulating recovery through deficits that could range up to perhaps $52 billion. The important thing about it is that this recovery will start from an 8 per cent inflation rate. If we have anything like the same sort of inflationary forces during the next recovery period as we had in the last, this means that in a couple of years we could witness about a 30 per cent rate of inflation in that country. The same conditions apply in Canada.

The big question is whether our social system can survive this sort of an inflationary level. What this will really mean is that the recovery will be short, the recession will be longer, and we will be back in the inflationary cycle all over again. If we cannot get inflation under control, and cannot convince the people of Canada that the government can do something about it, then we will be in such a cycle. I think we have to take this message very seriously. Under such conditions it is really an open question as to whether our social system, as we know it, can survive.

● (1750)

There is enormous tension in our country today. Normally one does not expect to see the Post Office not operating, to see the airlines not operating, or to see children not in school. Also people do not expect that, if their house catches fire, the firemen will not arrive. It is the essence of our society that the government provide an infrastructure in which people can live with a feeling of security and confidence. To the extent that this infrastructure falls apart, the fabric of our society is weakened and tension is increased.

A few weeks ago in Montreal the Prime Minister (Mr. Trudeau) spoke about tension in society. He was absolutely right; there is tension and it is growing all the time. The fundamental reason for the tension in our society is the fact that we have had so much inflation. The fact is that people do not believe they can count on staying even, and work and retain their real standard of living. Now, when we find that with rapidly rising inflation we have an accompanying slowing of economic growth, there is an infinitely greater increase in tension because we are not dividing a larger pie put are arguing how the same size pie is to be split. As a result the function of government more and more will not be to manage growth but to manage conflict.

We must be prepared to take the first step in defusing these conditions. The first step is to get our present degree of inflation under control. The tension in our country today, the labour disputes in our country today and the problems around the world are caused because we have not been prepared to deal with inflation. To say we have no responsibility to do this because it is happening everywhere is outrageous. I might say I have great sympathy for some of the views expressed from time to time about the need for consensus and leadership.

I do not think in a democracy we can have leadership that is very far removed from the feelings of the people in society. Leadership cannot be too far in front, nor can it be too far behind. We need leadership to try to get groups together to solve these particular problems. The real test of leadership, however, is to pick the strategic moment when it is no longer possible to operate with consensus but rather to take positive, strong action which the people really want. At some time if democracy is to survive, political leadership must be strong enough to take the chance of seeing whether or not this can be done. I believe that time has now arrived.

The real question in the world as we go into the latter part of the 1970's is whether democracy will survive. This is a very good question. If we look at history we see that the capability of democracy to deal with impending crises

is not very good. Churchill was wandering around England in the 1930's pointing out what was happening in Europe, while Stanley Baldwin was getting elected. I am convinced that Franklin Roosevelt could never have taken the United States into World War II without Pearl Harbour.

Anyone who believes that we do not have an impending crisis of enormous proportions in our society, or ignores the fact that we have not been able to find a way to deal with inflation, or the fact that we now have a combination of increasing inflation and declining growth is not reading history or the situation properly. I say to the government that we should get off this kick of saying inflation is a problem around the world and we cannot do anything about it. It must go to the Canadian people, and tell them the realities. I have great confidence they will face what must be done when they are asked to do so.

One must make one's own assumption about this, but surely the time has come when the Canadian people really do want inflation tackled, and really want leadership on the part of the government to deal with it. It seems to me—and this is the reason I congratulate the Creditiste party for bringing forward the motion today—that there is a great need on the part of the government to reverse the proposition it has been putting forward for such a long time that we cannot do anything about inflation. We must do something about inflation if we want our society to survive. We must take a strong line in dealing with these particular problems primarily to create the public support which is necessary to take the type of actions which I think must be taken.

I see that my time has expired, Madam Speaker. However, I wish to emphasize once again how critical is the very foundation of the institutions which we think are so significant. We really must face up to our problems. We have seen and see today the collapse of political systems. We have seen this in Portugal and Italy. It is comforting to say it cannot happen here, but when your infrastructure starts to collapse it is necessary for government to take action.

I strongly suggest that we should hear no more about our inability to do anything about inflation, and about it being a world-wide problem. Rather, we should have a government which says we have a terrible problem which will be solved only by all of us really understanding what it is and playing our part in an effort to solve it. If we do not do this, the costs we may pay are incalculable.

[*Translation*]

The Acting Speaker (Mrs. Morin): Before I recognize the hon. member for Kamouraska (Mr. Dionne). I must hear the hon. member for Hull who is rising on a point of order.

Mr. Isabelle: No, Madam Speaker, I am only seeking unanimous consent to revert to motions so I may table a committee report.

The Acting Speaker (Mrs. Morin): Is this agreed?

Some hon. Members: Agreed.

[Mr. Gillies.]

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

Third report of Standing Committee on Health, Welfare and Social Affairs—Mr. Isabelle.

Editor's Note: For text of above report see today's Votes and Proceedings

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GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT INACTION IN FIGHT AGAINST INFLATION

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

That this House deplores the inaction of the government in the fight against inflation on the fallacious pretext that it is an international problem and blames the government for ignoring the concrete proposals of the Social Credit Party for eliminating the unjustified increase in the cost of living; in particular the proposition according all Canadian consumers a compensated price on all Canadian food produce.

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

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: Order, please. I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate have passed Bill C-29, an act respecting Canadian business corporations, with amendments, to which the concurrence of this House is desired.

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problem and blames the government for ignoring the concrete proposals of the Social Credit Party for eliminating the unjustified increase in the cost of living; in particular the proposition according all Canadian consumers, a compensated price on all Canadian food produce.

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, our administrators, as we have noted today, are really suffering from the inflationary fever which they have contributed to induce and maintain without making any serious effort to improve the situation. Our experts or those who believe they are try to create the impression that they hope to find remedies to the ailments gnawing at society. The facts are so obvious that they cannot deny the existence of an economic discomfort. However, the results of their research prove that there are too many physicians attending the patient. Already a great number of them admit that they are unable to find solutions. They try to convince the people that it is an international malaise. It is easy to say so, but it is far from being a solution.

It will be easily recalled that we have known depression and regression periods, expressions already used by the representatives of the various governments either during or after the 1929-1939 economic crisis. At that time all kinds of goods were available in great quantity. What they lacked was money. The producing system works generally fairly well. The proof is that there are always a good number of unemployed who represent production that is not taking place, yet there is no shortage of goods to guarantee food, clothing and housing to Canadians. It is the distribution system which is not working or which is working in reverse.

● (2010)

To try to explain the cause of this bad situation, our politicians use inflation as a screen for their administrative blunders. We seem to be completely in the dark. Are wage hikes a cause or an effect of inflation? Are stiffer interest rates a consequence of inflation or not? I believe that the unions are justified in requesting salary adjustments because of the continuing increase in the cost of living, but we must admit that if we consider future prices, salary increases will bring about higher production costs and accelerate the inflationary process in the present system.

Higher interest rates have exactly the same effects. They breed price increases and contribute to inflation. The present financial system has left us obnoxious twins: inflation and unemployment.

When we speak of inflation in political econonics, there are two things which expand and build-up: first, prices, second, wages. This reduces the value of savings. Prices increase when products are rare and there is too much purchasing power.

However, when wages increase, prices also increase. This is a vicious circle which, under the present administration, approaches perpetual motion, and it is called inflation.

I believe that in general, Canadians do their duty, but unfortunately, those in control do not always do theirs. They must produce the purchasing power required to allow Canadians to buy what they produce.

The financial system should relate to the realities of production and needs. Money should originate in wealth and go where it is needed. This is clear enough. Finance should be submitted to production, and production should be submitted to man. I believe that we will find the answer to the problems of inflation if we take the trouble to look for them.

I know that this answer, or that which can be suggested, is not always in accordance with the theories of certain economists who recommend restrictions, while we recommend an increase in the purchasing power. Still, we believe our solution is more realistic.

Newspapers now talk about inflation. Most economists threaten us with inflation, financiers speak of inflation as if it were a contagious disease, it now haunts our economic life.

That is why the time has come for the people to head towards solutions. By observing its causes, we will find the remedy; instead of speaking incessantly of inflation, we should start getting used to speaking of distribution.

Let us have a look at what happens when the consumer sees prices go up by 10 per cent and sometimes more in a year. Concerned, he turns to his storekeeper who, shrugging his shoulders, turns to his supplier, who points to the producer, who shows empty warehouses which proclaim a shortage. All those agents having seemingly justified themselves, the consumer, in despair, turns to the one who is responsible for the commonweal, the regulating agent of all social mechanisms, the political authority.

Municipal authorities being already too absorbed in facilitating the inflationary activities of real estate speculators and developers to be concerned about the ravages of inflation, the consumer wastes no time and turns instead to his provincial government which throws up its arms in a gesture of helplessness but, still nods in the directing of the federal government which in turn claims to be unable to cure a disease it considers international in origin. 'Tis easy to say' but, as I said before, 'tis no solution'.

In the face of what he believes to be a natural cataclysm over which no one has any control, the consumer then decides it's every man for himself.

Let us see what happens. He urges his union to request wages to be geared to the increase in the cost of living. Then every businessman, supplier and producer, even those who have few employees or whose employees do not belong to a union and are constantly underpaid, will make a pretext of those salary claims to further boost the cost of their products and services, but at a rate which is often higher than salary claims.

This hard pressed consumer, feeling that any way his purchasing power just evaporates like maple water, frantically invests his depreciated dollar in consumer goods, thinking to himself that they will be out of the reach of inflation once he owns them.

And the circle becomes more and more vicious: the higher prices go, the more people buy. And since the more you get the more you want, those who derive excessive profits from inflation will put the finishing touch to its spiral by saying from time to time with a heartbroken face: "Food products, services, and real estate costs might

increase in the next few months". Then the media, always anxious to serve the public, will widely spread the unfortunate news. And what at first had been nothing more than probability rapidly mushrooms into certainty in the minds of the people who will not say anything when the facts are accomplished a little later. The media therefore pave the way for inflation when they want to oppose and fight it.

This explanation may look simple, but it is worth a lot of others, since nobody can explain and solve the present crisis. They try to prove that inflation today is the most difficult economic phenomenon to master, because everyone in his own way contributes to fanning it, even those who claim they have got the solution.

All experts admit they are unable to find an efficient remedy. But in this darkness one thing at least is clear: in front of a handful of people who pull the strings and become excessively rich, and a majority which is being bled white, the helplessness of governments is less than reassuring.

Here is another remarkable thing: economic life is concentrated today within the hands of multinational monopolies which by their worldwide, concerted action create a situation whereby political institutions suddenly appear totally obsolete. Since politicians, through lack of vision, failed to organize the world beyond frontiers, economic forces are doing it in their way. And we know what the results are.

Prices are higher and higher each day, inflation terrorizes everyone, the dollar is losing its strength and the future of our economy no longer inspires the confidence it used to inspire.

The main factor of the spiralling inflation we know is the increase in taxes, direct or indirect, and at every step of the production of an article when it is offered to consumers. Today, not only the prices of tobacco and spirits are swollen mostly by taxes. We must open our eyes. Through taxes governments gradually confiscate an ever larger part of the returns of human work while at the same time subsidizing artificial employment projects and often non-indispensable social welfare. That destroys in individuals the sense of responsibility, initiative and interested enterprise, those very virtues on which is based any free and sound society. That is undoubtedly another factor which contributes to the sickness that is inflation.

Heavier debts and the cost to finance them both in the public and private sectors also play a vital role in the inflationary thrust. If our current policy regarding credit, interest and taxation is not changed in a near future it is not impossible that our system and economy will collapse, crushed by the debt and tax pyramid, undermined by the devaluation—not to say the debauchery—of our currency.

But some minds inclined to smug optimism, as others are to melancholy, contend that there is no reason to be alarmed, and that inflation will go away as it came. For that matter, they say, inflation is preferable to recession. One could go on and say that inflation generates less misery than the economic crisis in the 1930s, and that in spite of the oil crisis a private citizen is better heated than the sun king was. But with that kind of rationale we would still be trucking.

[Mr. Dionne (Kamouraska).]

Furthermore, inflation that has been lasting for over a decade with periods of fever and abatement will not disappear as it came because its causes are not momentary.

When one turns to economists to know the solution to that persistent inflation one is surprises to realize that their explanations—often contradictory—almost always leave the conclusion that it is impossible to eliminate that cancer from the economy. So if one is not fatalistic, one must look for a solution—perhaps not definitive but at least efficient—to that economic problem the social effects of which are increasingly costly strikes.

Political parties when they are in power have no solution to inflation. More precisely, they resort to such quackery formulas as credit restriction and interest rate increase. As experience has shown, not only do those measures fail to stop inflation but in addition they give rise to much more unemployment that costs taxpayers billions of dollars in benefits to the unemployed.

Before resuming my seat, I think fit to point out that in such a situation where all governments and ours especially cannot find solutions, it is about time we examined the remedies or at least the suggestions offered by those who have been observing the situation for quite a while, and made the effort of considering the Social Credit alternative. Perhaps there lies the answer that will be of considerable help in working out today's problems.

● (2020)

[*English*]

Mr. Bob Kaplan (York Centre): Mr. Speaker, any motion that deals with the problem of inflation is a serious one whatever the solution proposed, because the problem of inflation is a serious one—indeed most Canadians would consider it the most serious.

One constantly hears a plea when inflation is discussed and solutions are discussed that "there must be a better way". The hon. member for Don Valley (Mr. Gillies), for example, said that before the supper hour as often as one could in a 20 minutes period—there must be a better way. He did not say what it might be, however. He did not offer a price freeze solution because, whatever he thought before the last election, events and international experience since then have surely taught him that that is not the way, and that a freeze would have damaged Canada.

I want to take that plea, "There must be a better way", and deal with it in one narrow but critical hot spot of inflation, namely, the area of industrial relations. I have just returned from two days on the west coast. While I was there some irate Vancouverites drove me out to English Bay. I had the opportunity to look out over that bay and see more than 30 ships waiting for the strike to end. It was a long strike, and it crippled shipments. Not only that, it crippled the whole regional economy. Standing at English Bay it was easy to say, "There must be a better way".

I had a full sample of public opinion a few hours later in Vancouver on Pat Burns' hot line program. It is an excellent forum. A variety of feelings are expressed and, if I may make an observation about western feelings, they seem to be stronger even than those in my own constituency. Perhaps it is the depressing climate in Vancouver, Mr.

Speaker, compared to the ideal climate we enjoy in Toronto. But, my object is not to talk about the climate.

A number of themes came across from the public during the course of that program. Some people felt that all strikes should be illegal, that they were a throwback to feudal times, that they were wasteful, and that nobody benefited from them.

Another group felt that all public service strikes should be illegal. They argue that the treasury of Canada is a bottomless pit and there is no end to the payments the federal government can make in order to settle a dispute.

The third group felt that strikes in essential public services should be illegal—a narrower group than the total public service, but an important and sizeable one.

The fourth and final group felt that even if strikes are legal parliament should act at once, as soon as things begin to warm up, to end the strikes and send people back to work.

I want to talk tonight about the institution of collective bargaining. This is an institution to which the government and the Liberal party of Canada are very much attached and for which we have a great deal of respect, while many others in the country and in this House want to see it rejected. I will concede that collective bargaining is in trouble right now. Forgetting for the moment about the illegal strikes that are taking place to which collective bargaining does not fully apply, even when you look at legal strikes there are too many going on right now.

It is true that collective bargaining is in trouble, Mr. Speaker, but these days a lot of our economic institutions are in trouble. In fact, which ones are not? The stock market is in trouble, the International Monetary Fund is in trouble, the international private banking system is in trouble, and so are our foreign exchange markets. Why are all these things happening? Is the IMF in trouble, as the Social Credit Party wants to imply, because of the management of the Canadian economy—an economy which represents 6 per cent of the whole of the International Monetary Fund countries?

These institutions are in trouble not because they themselves are not working but because of unprecedented inflation which is undermining so many of our institutions. It is not the other way around. It is inflation that is the cause of these things.

When you listen to what the strikers have to say, Mr. Speaker, you can understand very well why they go on strike. Inflation is hard on wage earners. Men and women who have been on contracts for two or three years, and whose contracts are coming up for renewal, just want to make sure that they will not come out at the end of the next two or three year period with the short end of the stick. They want to be protected, and it is clear that inflation is the threat from which they want to be protected.

In this connection one of the new ideas that is compatible with collective bargaining and that I support is the cost of living adjustment. I think the government should be very receptive to the idea of accepting COLA in a contract. COLA may take wages up if the cost of living goes up, but it is the only way I know of that can also moderate wages if the cost of living tends to go down. Most experts seem to think that is going to happen, that inflation is going to recede.

I do not think there is anything wrong with collective bargaining as an institution, Mr. Speaker. It is just that, like all the others, it is suffering from inflation. I would assert that collective bargaining needs to be supported now by this House, by the public and opposition parties, instead of being undermined. This is not the time to tell the labour force, or any part of it, that this parliament wants to take away their right to strike, which is the main tool they have to protect themselves with when they feel their interests are at stake.

I have been speaking about legal strikes, Mr. Speaker, but there is another side to the coin. I mentioned before that there had been too many illegal strikes. Collective bargaining is undermined by illegal strikes as much as it is undermined by other forms of opposition. I want to deal with some examples.

There is a category of designated jobs in which employees of the public service are not allowed to strike. One example of such an essential service is shovelling the airport runways clear of snow. Those employees cannot legally go on strike. I have talked to men on those jobs and I know it it is very hard to go to work when your fellow employees are striking. It is difficult to cross a picket line to shovel a runway in a snow storm. They feel like scabs even though they are doing something the law compels them to do. But it is extremely important that unions recognize that essential service maintenance is a very important safeguard in the collective bargaining process.

While I was in Vancouver there was another example when air traffic controllers in the east threatened to call a nation-wide walkout because several members of their union had been laid off—wrongfully in the opinion of the union leadership. That was no ground for a strike. There is a grievance clause in the collective agreement which tells the union what its rights are in cases when it considers it has been wronged by management. If there is a grievance, the union can grieve and get the wrong examined. All kinds of rights are available to the union, but it cannot go on strike while the collective agreement is in force.

● (2030)

If we want to preserve the idea of the collective agreement it will be in everybody's best interests to make sure that the type of violation I just mentioned is not allowed to take place. When it does take place, management, in this case the Treasury Board, should exercise all rights available to it. These should be strong rights and the government should not be afraid to invoke them for the sake of any collective agreement. The government should not sit on those rights.

I now want to deal with parliament's involvement in strikes when strikes are in progress. It is easy for people to run to parliament and say, "We want you to settle the strike." I agree that parliament has a role to play in settling strikes, but parliament should not act while the collective agreement has a chance of working.

A small unit in the Toronto post office has made what many consider outrageous demands. It has demanded that the Post Office be turned into a Crown corporation before negotiations take place. That is a totally unrealistic kind

of demand. If the major unions of the country, including the public service union, representing the great majority of workers were to make that kind of demand, I could understand people saying to parliament that, obviously, collective bargaining will not work and it is time for parliament to step in. While some people in Vancouver were arguing that parliament should send the Vancouver based public servants back to their jobs, in fact they were successfully bargaining.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Having listened attentively to the hon. member's speech I say to him, with the greatest respect, that it is just a shade late. We debated the issue he is raising fully and frankly last evening.

An hon. Member: Until almost a quarter to four in the morning.

Mr. Baker (Grenville-Carleton): We are prepared to concede that the inflation gripping this country has made the collective bargaining process difficult, but I think the hon. member should relate his remarks to the motion advanced in good faith by a member of the Créditiste party. I look forward to hearing the hon. member's comments on inflation.

Mr. Guay (St. Boniface): Are you tired from staying up so late last night?

Mr. Baker (Grenville-Carleton): I am as fresh as the hon. member for St. Boniface (Mr. Guay).

Mr. Guay (St. Boniface): Then you are tired.

The Acting Speaker (Mr. Penner): Order, please. The hon. member's point of order relates to the relevancy of the speech of the hon. member who has the floor. That hon. member has said clearly that he is speaking about inflation. Therefore I think his remarks come well within the scope of the motion being debated.

Mr. Kaplan: Mr. Speaker, it has been obvious to the country for a long time that the Conservative party does not know what inflation is all about. The hon. member's intervention showed that he has no conception of the relationship between wages and inflation.

Mr. Dick: You are talking about strikes, not wages.

Mr. Baker (Grenville-Carleton): The hon. member was not talking; I think he was reading.

Mr. Kaplan: Mr. Speaker, I was talking about the role which parliament ought to take in dealing with strikes when other outrageous demands are included with outrageous wage demands. I think too many Canadians, too many members of this House, were calling on parliament to act when the collective bargaining process still had a good chance of working. In the end, within hours of hon. members expressing their frustration with the collective bargaining process, that process worked.

When parliament intervenes in the collective bargaining process the spirit of compromise is lost, that spirit which is the most important ingredient in the collective bargaining process. Why should any party to a dispute agree to a compromise if parliament is to resolve the dispute? Why should any party agree to reasonable demands if he can make all his demands by grandstanding before his constituents? In the case of the union, leaders grandstand before union membership, and in the case of the government the President of the Treasury (Mr. Chrétien) can grandstand before this House. Why should the parties not do that, if parliament is to be called to blow the whistle after some ritual period of fake negotiation?

True collective bargaining requires an honest effort by both parties, by the leaders of both parties, to achieve compromise. For that reason parliament should not intervene lightly. Many people have been losing confidence in the collective bargaining process. That is why I was pleased to see that the strike was settled, and that the collective bargaining process will work. If both parties approach each other in a spirit of compromise and good faith, it can work.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, under the Standing Orders of the House, the Social Credit Party of Canada introduced a motion on the problem of inflation in Canada as it relates to consumer problems. For some hon. members, that motion seems neither important nor a priority, because it deals with a problem which some claim has always existed or because it is insoluble. This afternoon, we heard the President of the Privy Council (Mr. Sharp) explain that inflation was a product imported from other countries, that Canada cannot rule its own economy. In fact, by using that argument this afternoon, the President of the Privy Council or the Liberals admit they are unable to administer Canada; they blame the effects of their own indolence on other countries, admitting they can do nothing about inflation since it does not depend on them. Yet, Mr. Speaker, these people have been elected, this parliament is democratic and supreme, and it is up to this parliament to determine the future of our economic system. It is not up to foreigners. If it were, why would there have to be a Canadian parliament? If we depend totally on foreigners in the vital areas of our economy, Mr. Speaker, there is no need for a President of the Privy Council or a parliament or a Prime Minister. Our work here is nonsense if parliament does not control the fate of the country and cannot orient it one way or another.

● (2040)

If the New Democratic Party were in power, its orientation of this country and its economy would probably consist in abolishing private enterprise, in attacking it straightforwardly and in treating everyone equally. This shows that if the New Democratic Party were in power, there would be radical change in the economy of this country. I do not share this view of the orientation of our economy. We believe in private enterprise. We believe in respecting individuals. We believe that each man, each human being must have equal opportunity in our country. Mr. Speaker, if the Social Credit party were given power tomorrow morning, by using either the Bank of Canada or compensated discount, not to control producers or consumers, but to control the economic life of our country, we would take action so that the production would reach the consumers. This is what compensated discount is all

about. Mr. Speaker, with a Social Credit government, there would be an immediate change in the course of our economy since the money would serve the population.

Why is it that a change from blue to red does not change our economy? This is simply because the members of the old parties are financed by the same sources, and encourage and protect the same gimmicked combines with banks, if I may use that expression. This is why, after 100 years, we are no longer able to distinguish who is in control of what in our country.

Mr. Speaker, someone mentioned parasols a while ago. I shall try to speak about the heart of the problem. What is the cause of inflation? Producers say that it is the consumers. Consumers say that it is the producers. The financiers say: "It is because we buy too much." Others say that it is because we do not buy enough. Unions suggest it is because salaries are not high enough and that some are making too much profits. Still others claim that profits reach sky high and add that, due to inflation, extravagant salary raises are demanded. In such circumstances, those who should be members of a strong government fall in with those who are crushing the humble people and say to them through the soft and caressing voice of the Minister of Finance (Mr. Turner): "Tighten your belts, be reasonable in your demands". He said so a week ago.

Mr. Speaker, we are discussing today the food problem. Who is controlling food? This government, through its Minister of Consumer and Corporate Affairs (Mr. Ouellet), stated Monday last on radio that the government could not directly intervene to alter prices or intervene indirectly to protect the consumer since the rise in prices was due on one hand to underproduction in Canada as a result of the weather and on the other to a world-wide drought. Anyone aware of the situation realizes that it is a matter of overproduction. But who influences and controls prices then? Who governs this country if the President of the Privy Council himself admits that he can do nothing because inflation comes from outside Canada? Yet, Mr. Speaker, I know that he does not suffer from inflation, because his salary is high enough. That is why he is trying to bring this bill before the House. The small taxpayers, Mr. Speaker, they know the problem of inflation. If it is not the government since he admits it, then who is it? Give some names!

First of all, Mr. Speaker, everybody knows all about Dominion Stores Ltd. and how they feed us so well. Let us go tonight to the heart of the matter. I am not trying to put the blame for inflation on anybody, I am seeking to find the roots of that problem, those who are responsible for our economy and who control this powerless government. That store chain, Dominion Stores Ltd., the most important in Canada, is controlled by Argus Corporation, whose Chairman of the Board is Mr. John A. MacDougall. This means that he has direct control over Dominion Stores Ltd., General Bakeries, the second largest bakery in Canada, Massey-Ferguson Industries, the leading manufacturers of farm machinery in the country, Hollinger Mines Ltd., which owns our iron mines, Iron Ore Ltd., in Schefferville, which sends our minerals to the United States for processing so that they can sell them back to us with a profit, companies which also control Domtar Ltd., the largest paper and building material company in Canada, and finally Standard Broadcasting, which controls CJAD in Montreal and CFRB in Toronto.

The same gentleman, although he may not be responsible for inflation, is one of those using inflation, with the help of this government, against and to the expense of small people. That gentleman is also senior director of AVCO Corporation, a 16-company conglomerate ranging all the way from a finance company to military contracts with the United States.

More important still, the same gentleman is a director and a member of the executive committee of the Canadian Imperial Bank of Commerce. To support him, three other Argus Corporation directors are also on the board of that bank, namely A. A. Thornbrough, financial adviser and A. L. Firley, junior chairman of Domtar's executive committee. It is amazing how those families gather together, and we always find one of our private, chartered banks behind that gimmick. Very amazing indeed.

If we are to believe the Minister of Finance (Mr. Turner), chartered banks are holy institutions, they are sanctuaries. Those sanctuaries control and overburden small-income people. They move producers against consumers, promoting struggles between these two groups. Owing to their actions, low-income people are affected by this inflationary situation, by the depreciation of money, as my colleague from Kamouraska (Mr. Dionne) indicated, and those people go on profiting by inflation.

Canadian Imperial Bank of Commerce vice-chairman John Leitch is chairman of the corporation controlling Maple Leaf Mills, of which he is also a director. And he is also a director of Massey-Ferguson. Those two large Canadian industries play a part in food production.

My fellow citizen working with Drummond or Utex earns $5,000 or $6,000 a year. In fact, according to Revenue Canada, the average annual income in my constituency is $6,700, or $129 a week. Workers follow the sales advertised by Dominion Stores and Steinberg's, to make both ends meet and give bread to their families.

These workers are victims of the financial system, controlled by the financial establishment that controls this government.

Another vice-chairman and director of the Canadian Industrial Bank of Commerce, Mr. W. F. McLean is also vice-chairman and director of Canada Packers, a company holding 500,000 equity shares of Dominion Stores Ltd., an investment worth around $9 million.

It is surprising, Mr. Speaker, to see how all those families keep together: the world of farm machinery, the world which controls production input, the world which controls banking, which controls the marketing for Dominion Stores Limited. All this belongs to the same group of financiers, as said my colleague, the hon. member for Kamouraska. Mr. Speaker, only a handful of men are running the country.

In short, Argus Corporation owns directly 23 per cent of the shares in Dominion Stores Limited, and an additional 6 per cent indirectly through Canada Packers.

Mr. Speaker, how can small producers, small farmers, small tradesmen in Canada face this tremendous increase in prices if their income is frozen?

● (2050)

Mr. Speaker, that does not make sense. Such is the situation with Dominion Stores Ltd. One could go much further, but I must be brief.

Let us now talk about Steinberg Ltd. Perhaps things are better on that side since "Steinberg is on your side" as they say in their ad. Steinberg interests that are now close to a billion dollars employ 23,000 workers and own the largest chain of grocery stores in Quebec, excluding Miracle Marts. Steinberg is 40 per cent controlled by Rockview Corporation which is 100 per cent controlled by Hernns Investments Ltd. Rockview and Hernns are two holding companies comparable to family trusts. Indeed, Rockview and Hernns have the same directors. Sam Steinberg has four daughters, including Rita Goldfarb. Let us see how interesting this is, Mr. Speaker. It is fortunate that this government speculates on people's ignorance. Mrs. Goldfarb died in 1970 but her husband replaces her. He now happens to be senior vice-president of TRIZEC Corporation which is one of the most powerful realtors in Canada with a turnover of about $800 million. Needless to say they manage among other things Place Ville-Marie, Place Bonaventure, 2020 University street, and about twenty shopping centres in Quebec.

Mr. Lazarus Philipps, a lawyer for the interests of Steinberg Limited—and that is where things become interesting—is both a director of TRIZEC Corporation and Steinberg Limited. Needless to add that TRIZEC is 66 per cent controlled by English Property Corporation Ltd. of England, probably the largest realtor in the world. However, English Property Corporation Ltd. is controlled by Eagle Star Insurance Co. Ltd. of London and its president is—and that is the icing—Sir Brian Monurtain who is also a director of the Bank of Nova Scotia.

Mr. Speaker, that is how ignorant and blind are the government members who protect those banks and say to the small consumer: "Tighten your belt." It is this same government financed by those same financial interests that controls and exploits Canadians.

Nevertheless, Mr. Speaker, for the information of my colleagues, it is not the Bank of Nova Scotia, in spite of its interests and its relationship that finances them with Steinberg Limited, but rather the Royal Bank of Canada—and I will prove it—whose president is Mr. Earle McLaughlin and sits on the board of directors of about twenty big companies; he was one of the most determined opponents of Bill 22 in the English-speaking Quebec community. This Mr. McLaughlin is a director of Power Corporation which supports the Liberal government in Quebec that holds 10 per cent of the shares. Mr. McLaughlin is a director of the bank which finances Steinberg Ltd. and holds 10 per cent of the shares of Argus Corporation which controls Dominion Stores Ltd. These big corporations, Mr. Speaker, control Massey-Fergusson, Domtar, the Bank of Nova Scotia, shopping centres and other things.

If we dig deeper, since they are big financiers and they make profits, we realize that their profits are very small. What do they do with those profits? They reinvest them, build shopping centres and go on exploiting low-income people, against the interests of Canadians.

[Mr. Fortin.]

Mr. Speaker, I will spare the House the rest of the story. I have on hand fantastic data which actually show what is this conglomerate of banks. Mr. Speaker, those large companies that take an unfair advantage of the situation will lead us directly to socialism if we not take care.

The purpose of the motion under discussion is precisely to help the small business, the processor, and especially the consumer, the corner store to obtain fair marketing at a fair price consistent with the consumer's income.

Mr. Speaker, some of the members opposite find the compensated price a funny idea. Liberals were content with saying to the Conservatives during the last election: "It is not good to freeze prices and wages". But what did they have to propose? The Plumptre Commission whose chairman earns $40,000 a year, but nothing more. With this government we study studies without any results.

Mr. Speaker, is there overproduction or underconsumption in Canada? According to the Créditistes, there is underconsumption and not overproduction. Why? Because, Mr. Speaker, our shelves are filled to capacity. Money is short and it is worthless. A worker today, after going on strike to fight for his legitimate and sacred rights, that is the right to earn a decent living for himself and his family, finds that with his wage increase he has less money to spend than he had five years ago, while his workload has increased. That does not make sense in a country such as ours.

Madam Speaker, we have seen in the past year in Canada, not in Japan or in Germany, mentioned by the president of the Privy Council (Mr. Sharp), potatoes destroyed in the fields, and today a New Brunswick company is importing ten million pounds of potatoes in Quebec and is putting them on the market to compete with our people. Who is controlling what? Go and see who is running this New Brunswick firm. Are we short of eggs in Canada? Have the Canadian hens stopped laying eggs? No, Madam Speaker. Have the workers stopped working in that industry? No, Madam Speaker. Yet, we destroy thousands of dozens of eggs. It is a scandal, the scandal of affluence in this country, Madam Speaker. Some may find that funny, but let us not repeat this shocking wastefulness in third world countries, because in 10, 15 or 20 years from now, the balance of power among the countries may have changed. Such wastefulness is sacrilegious. Do we have too much milk or too much butter in Canada? Madam Speaker, this government is lying, this government is exploiting the consumer in cahoots with the banks that control the marketing of our food stocks. The hon. member for Bellechasse (Mr. Lambert) who is here now, directed a question to the Minister of Agriculture, which was answered on February 19, 1975, as reported on page 3359 of *Hansard*. The member asked whether the government had granted a subsidy or a discount on the price of a quart of fluid milk and, if so, how much?

Madam Speaker, those in the House who find the Social Credit motion silly and those who, like the hon. member for Compton (Mr. Tessier), say that it is nonsensical, should know that the government of which they are members granted last year milk subsidies amounting to $109 million as a discount on the price of a quart of milk. I am sure the hon. member for Compton does not understand what we are proposing here, that he merely toes the line.

When the Minister of Agriculture announced that subsidy, the hon. member for Compton applauded and did not understand. Tonight, the same thing is proposed with respect to the whole of food production in Canada and the same hon. Member who found that all right when it came from the Liberals finds it ridiculous when it comes from the Social Crediters.

Madam Speaker, people from that constituency were losers in that. A $109 million consumption subsidy was granted by the Liberals. It sounded fine; the government were said to be generous. But not to worry, Madam Speaker, this government are bright and intelligent. They went and fetched the money, it did not take them long. On February 24, 1975, we learned from a tabled document—let us refer to Question No. 519 on the order paper, raised again by my colleague the hon. member for Bellechasse (Mr. Lambert)—that 24,949,700 pounds of butter were imported from various countries. That butter is for sale, the government buys it from other countries at an average cost of 54 cents a pound. But the same pound of butter imported by the Canadian government is sold for 94 cents to the consumer.

Madam Speaker, the government themselves act in the same way as Dominion Stores, Steinberg's, Argus or Power Corporation. They import butter from foreign countries, bring it onto the Canadian market, fiddle, as the hon. member for Témiscamingue (Mr. Caouette) said, with the ticketing, launch the product on the market, buy it for 54 cents and sell it back for 95 cents, and again it is the consumer who pays for the subsidy he was to benefit from.

The Acting Speaker (Mrs. Morin): Order. I am sorry to interrupt the hon. member, but his allotted time has now expired.

Some hon. members: Proceed!

The Acting Speaker (Mrs. Morin): Is the House agreed for the hon. Member to proceed with his speech?

Some hon. Members: Agreed.

Mr. Fortin: I thank my colleagues, Madam Speaker.

Let us note that this subsidy relating to the price of milk, this consumption subsidy was granted by the minority government. We then got a lot more with respect to the problem of Canadian consumption that we do now. We now have a strong government, and farmers in my constituency who are asking $11.60 per hundredweight today, Madam Speaker, are the victims of this situation because they do not manage to make both ends meet. This government makes promises to them, but does not consult them, and a little later they will play politics and say: We are the ones who did that.

Madam Speaker, are Canadians actually partners of this government with regard to the economy of this country or are they always to be considered as poor relations in our economy, as marginal people? That is the question.

The President of the Privy Council also said this afternoon that if a financial help to consumers creates inflation. So, in his great wisdom, the president of the Privy Council suggests that financial assistance to the consumer, the journeyman, the labourer, would create inflation. However, the president of the Privy Council, in the same government, is launching numerous programs to create employment, to increase production. On the one hand, they say that it is a lack of production and on the other, hand, they say: Restrain yourself, your income is too high.

Madam Speaker, there is something wrong in this Parliament. Do members visit their riding? Do they listen to the people to learn about their situation? When an unemployed comes to our office and has been waiting for two months for his first unemployment cheque, and that man has three children, Madam Speaker, here is a Canadian who deserves our attention. He deserves to be heard, to be welcomed, and to be helped. Then he goes back home and hears on television that night the President of the Privy Council or the Minister of Finance (Mr. Turner) say: "Old chap, if you don't mind tighten your belt". Then he switches to another station and hears, the Minister of Energy, Mines and Resources (Mr. Macdonald) say: "If you want to save energy, tighten your belt, turn off the lights when not needed". Sometimes the ministry uses Mrs. Lise Payette for that kind of advertising, and I would be interested to know how much she gets for that.

An hon. Member: It must be "heavy".

Mr. Fortin: It really is "heavy", Madam Speaker.

We ask the working poor to make the sacrifices that the big shots cannot and do not want to make.

Madam Speaker, in my last remarks, I will simply say this: the Social Credit Party is not a socialist party. We believe in the free enterprise system, everybody knows it. We believe that the only aim of production is to meet consumption, because production as such makes no sense, and to build a tractor for the sake of it or to cut out a dress for the sake of it does not make any sense. When you cut out a dress, it is to meet a need. Now, Madam Speaker, money in a country is exactly no more than a means of exchange so that production meets needs, that is consumption. Now, over the years, governments have given chartered banks the power to issue our currency and our credit. They have given them the power to extend loans based on absolutely nothing. How can you reimburse $150, when you have been lent only $100?

Members on the other side may solve this mathematic quizz, but you cannot return $150 when you have received only $100. Even if you work, because of the depreciation of money and the lack of balance between total income in Canada and total production, it is mathematically impossible to buy this production.

Madam Speaker, this is the tragedy we are in. Money, which is already insufficient, is being depreciated by almost 50 per cent. Some will probably still refuse to accept that money is being depreciated.

An hon. Member: With the Social Credit, it cannot be devaluated!

Mr. Fortin: Madam Speaker, with the Social Credit it cannot be devaluated since money is based on production. I see that the hon. member for St. Boniface (Mr. Guay) finds it funny. Madam Speaker, I would like to see the

hon. member for St. Boniface explain inflation to labour and tell them: "Tighten your belts".

Madam Speaker, we have come to a point in this country when we must look for positive solutions.

In this House it should not be said that the Progressist Conservatives are no good because they are conservatives, the Liberals are no good because they are liberals or the social credit this does not make sense because it has never been implemented. Acting that way, Madam Speaker, would generate in this Parliament a partisan and political spirit rejecting solutions that would really solve the problem.

● (2100)

Madam Speaker, I might be convinced that Liberals are not financed by financial conglomerates such as banks, Dominion Stores Limited, Steinberg Limited, Argus Corporation and Power Corporation only if they were honest in their attitude and their search for solutions and if they accepted to listen and study the creditist proposals even to reject them later. But, Madam Speaker, when they reject it before discussions and explanations are started, it shows that those people have interests to protect. This is why I hope that the Progressive Conservatives will understand the meaning of our motion.

The object of our motion is not to implement the social credit theory as of tomorrow morning; it is rather to make this government understand that the only solution to our inflation problem is to help the human being workers, unemployed, farmers, deprived, and consumers alike. If the Liberals find it funny, it is their problem, they will be judged in due course, but tonight I ask my colleagues of the Opposition to explain and prove to this government that it is strong, it is really on the people's side on the side of the weak on the side of financial conglomerates such as banks, Dominion Stores Limited and Steinberg Limited. And then, Madam Speaker, the opposition will have raised an important debate thanks to the Social Credit Party of Canada. We shall have made a step forward by showing our solidarity on behalf of the Canadian people to this government which defends the wealthy corporations. We shall have shown the government that it is time to protect the average citizen, the builders of our country.

Hon. Robert L. Stanfield (Leader of the Opposition): Madam Speaker, first of all I wish to thank the Social Crediters for having proposed this motion on inflation. I cannot support their motion, but I appreciate their sincere concern about the inflationary threat and their determination to fight it effectively.

[*English*]

I am speaking tonight during this debate, although I took part in a debate a week or so ago on a similar motion put forward by the NDP, because I regard this subject of such great importance, and because I welcome the opportunity to speak particularly to those members of the government party who are present and to impress upon them, since they have the responsibility at this time, the grave importance of the menace that confronts us, and the importance of a real assault on the problems of inflation, consistent of course with methods that enable our economy to continue to grow, expand and provide employment.

[Mr. Fortin.]

We are in all probability three and a half years away from the next general election. Surely we can discuss this matter with a view to reaching some positive and constructive approaches. We are some months beyond the last election, and surely we do not have to refight it again in discussing these issues. Surely in most parts of this House there is an agreement now that there is no simplistic solution to this problem we are confronting.

I do not know whether the hon. member for St. Boniface (Mr. Guay) is making an interjection or conducting a private conversation, but if he does not mind I will pay no attention to him tonight and just present the views I wish to present seriously to his colleagues who are prepared to sit and listen. I think he will listen too, knowing he is a man of—

Mr. Guay (St. Boniface): If you say something that makes sense I will listen.

An hon. Member: You don't have sense enough to know what makes sense.

Some hon. Members: Hear, hear!

Mr. Stanfield: The government is fond of saying that every party in the House has simplistic solutions to this problem. It keeps hurling at us, for example, that the only solution we have is prices and wages control, as they call it, or prices and incomes control. We never put that forward as a comprehensive solution to this problem. I want to say that, in advancing that appropriate fiscal and monetary policy, in all probability there would never have been a time in which such a policy would have had a better chance of succeeding than following the election on July 8, 1974.

I do not rise tonight to argue about the last election or the next. I rise tonight to try to persuade supporters of the government to face up to their responsibilities and present, to the House and the country, an attack against inflation.

I think what the hon. member for Don Valley (Mr. Gillies) had to say before the dinner hour was very appropriate and just. The pre-election policy of the government, concentrating on shortages, was surely too simplistic to be regarded as satisfactory. Inflation in Canada could not be solved by increasing supply in Canada if it were true, as the government said, that the problem really was international. This is obviously contradictory. When the hon. member for Don Valley said that the government had a tendency to give the impression—I want to be fair to the government House leader—to the country that these problems are really international and that there is not too much that we can do about them, I think he has a real point which he expressed eloquently.

● (2110)

The truth of the matter is that many Canadians today feel helpless in the face of inflation. They have been persuaded by various forces that there is really not very much that can be done within Canada, and that the government cannot do very much to deal with inflation. As the hon. member for Don Valley expressed it, this is an exceedingly serious state of affairs when the people of the

country feel they really cannot tackle this problem. I hope the government House leader will not misunderstand me and I hope his friends behind him will not misunderstand me when, standing here as I do with no intention to contest the next general election, I say I am horrified by what strikes me as the enormous complacency of my hon. friends opposite in the fact of this problem which confronts us.

Some hon. Members: Oh, oh!

Mr. Stanfield: I do not want my friends opposite to get upset. I want them to listen to me and hear what I have to say on this subject. They give me the impression that they have an election behind them, that the next election is three and one half years away, and that they are prepared to wait out whatever difficulties there may be in the meantime with confidence that things will correct themselves before the next general election.

Mr. Allmand: That is not true.

Mr. Stanfield: I hope it is not true, but I say in all sincerity that that is the impression they give me, and I suspect it is the same impression they give many people in this country. I want to say to them that if there is one thing that would tempt me to continue in politics in this country in some minor role it would be to fight that complacency which seems to exist. The way in which these gentlemen discuss inflation and the effect it has on the country strikes me as really extraordinary.

The government House leader today spoke about the government having taken measures to offset the erosion of savings in this country. I know my hon. friend pretty well and I know he cannot possibly believe that. He must be well aware of what is happening to the savings of the ordinary person in this country. Actually the savings of the ordinary person in this country are being destroyed today.

The hon. member for Waterloo-Cambridge (Mr. Saltsman) spoke about the effect of inflation upon the redistribution of income in this country. It is enormous. The hon. member for Don Valley was perfectly correct when he referred to these problems, the effect of inflation of 10 per cent or 12 per cent over a period of years and the effect of all this on the ordinary Canadian. I am not talking about the big shot who has a lot of expert advice and perhaps somehow can protect himself. I do not know what is going on over there, Madam Speaker, but I should like them to listen to me for a moment.

An hon. Member: How can you say we are complacent?

Mr. Stanfield: I did not say members of the government are complacent. I said that is the impression they give me, and give a lot of other people. When I consider the effect of inflation and what is going on in this country in respect of those who try to save and are unable to save, I find it impossible to accept or understand the lackadaisical approach of the government to this problem today. I find it difficult to understand how member after member on the government side of the House can be satisfied to stand up in this House and talk about this being an international problem, seem to be satisfied about this, and denounce and attack me and my party for having supported price and income controls.

Mr. Sharp: I was addressing myself to the motion before the House.

Mr. Stanfield: I am not referring only to my hon. friend. I do not want him to be too sensitive. I think my hon. friend has a fairly profound understanding of the problem. He is a pretty good servant of the government he serves, and puts forward the best case he can for the government when he speaks. I really am more concerned about some of his colleagues, and I say that very sincerely.

I am impressed by their complacency, and also by what I take to be the degree of common ground in the House about how inflation can be attacked in Canada today; the degree of common understanding and agreement that it really has to be attacked by dissuading Canadians as a whole from trying to demand too much from the economy. When I ask questions from day to day about the approach of the government it is not because I am attacking its policy but because I want to know what the government is seeking a consensus about, how earnest and serious it is about this approach, and what progress it is making.

What I am unable to accept, in view of the common recognition in the House about the importance of achieving consensus in this country of ours, whether in the form of compulsory short-term controls which we suggested during the campaign, or by some other approach the government has, is that the government is sincere when, having announced this program in the Speech from the Throne, now many, many months afterwards the leader of the government in the House rises today and says that he thinks we are getting near the first phase of the examination.

Mr. Sharp: The end of the first phase.

Mr. Stanfield: As I said before, I am fully prepared to support the consensus approach. But I do not think it is asking too much that I be given some indication, some tangible evidence, that the government is sincere, is pursuing some definite approach, and that it is making some progress in this regard. I have to say to my hon. friends opposite that on the basis of anything that has been said so far this appears to be a put-on. I hope this is not the case. Quite apart from what impression I may have I would like to think that at this stage at which we find ourselves, with an election behind us, with the government with a majority behind it, with another three years until the next election, that this House of Commons could work toward some real attack on the economic problems of this country, some attack that recognizes what inflation is doing to the ordinary Canadian, an attack also that recognizes the need for employment.

● (2120)

I thought that was really one of the main purposes of the consensus program, namely, to provide the Minister of Finance (Mr. Turner) with a framework which would give him more room to manoeuvre in terms of expanding employment opportunities in the country. We in this party are prepared to co-operate with the government in supporting that kind of program. What we ask for is not

gimmicks, not any expression of views that there is a simple solution to the problem of inflation, because even a program of consensus will not provide a complete solution. Are we asking too much in asking the government to give the leadership that was promised to the people of Canada, and to tell us what it means by consensus?

There seems to be agreement in the House generally about the need for restraint. The hon. member for Waterloo-Cambridge said that this was not only the government's fault, it was everybody's fault. I take it that this is what the Prime Minister (Mr. Trudeau), the Minister of Finance, and the government House leader have in mind when they speak about such a program.

With such a wide area of agreement in the House on the general nature of the problem and the appropriate approach, why can the government not tell us and the people of Canada what its program is? Why can we not move forward with this program? Why do we find ourselves in the absurd position, many, many months after this program of consensus was announced, with the House leader rising in the House and saying we are getting near the end of the first stage of the program? I say to the government House leader that we agree that there is no simple solution to this problem, we agree about the importance of maintaining employment, we agree about the importance of restraint, including restraint on behalf of the government, and we agree about the importance of consensus of enabling the various elements in our economy to achieve a consensus.

What we ask for is leadership on the part of the government to indicate to the Canadian people what restraint really means for them, what is really asked for from the various people of this country in the way of restraint. We want some indication as to what is appropriate patriotic behaviour on the part of individual Canadians in their various walks of life in this situation. That is what we ask for, and that is what we are prepared to support.

Some hon. Members: Hear, hear!

Mr. Alan Martin (Scarborough West): Madam Speaker, before getting into the detail of my comments in this debate I would just like to say how honoured I have been two weeks in a row, on two opposition days, to have made my remarks immediately following the Leader of the Opposition (Mr. Stanfield). I do not know what omen that portends, but I certainly find it to be a rare distinction for a new member of parliament.

Another comment I would like to make results from some private derogatory comments that did not find their way into *Hansard* but were directed my way by the hon. member for Provencher (Mr. Epp) last week, during a similar debate. He might be pleased to note that tonight I am not reading my speech. For the first time I rely only on a few notes. Whether that proves to be an advantage for those who are in this chamber and who will be listening to me, or who will read my comments later in *Hansard*, remains to be seen.

Third, I would like to say, for the benefit of the hon. member for Grenville-Carleton (Mr. Baker), that I intend to address my remarks directly to the motion that is before us tonight. I hope that that will keep him happy for the next few minutes.

[Mr. Stanfield.]

I would like to speak on the motion in two parts, as I have divided it. In the first part the Creditiste party deplores the inaction of the government in its fight against inflation. In the second part it further deplores the fact that the government has failed to support the Creditiste party in its proposal to give all Canadian consumers some form of compensated price on food products they may require.

Speaking on the first part of the motion let me say that, in my mind, it is not unlike the motion that was put forward in the House last week by the NDP in which they were also deploring the inaction of the government in its fight against inflation, and were indeed proposing that a new budget be brought to the House immediately, this at a time when the budget had received royal assent just two hours earlier.

The arguments that I made that evening are equally applicable tonight in the sense that a major new budgetary direction is being proposed. I do not think there is much point in repeating the same old points. It takes considerable time for the budgetary process to work its way into the economy, and I think we are only beginning to see the effects of the November 18 budget as they start to make an impact on the Canadian economy.

It is far easier for a party in opposition to say to the government that there has been inaction on a particular matter than to say there has been lack of action or too much action in a particular direction. Personally I do not fault members of the opposition for disagreeing with the economic policies that may be put forward by the party which forms a government. Indeed, one could argue that that is part of their responsibility, and I think it is fair for them to say that there is too little here or too much there. But I think it is rather unfair—and I submit in this case completely unjustified—to say that there has been no action.

Indeed, actions have been taken. I refer once again to the red booklet which is a summary of the November 18 budget, and I refer to some of the titles within that budget booklet where reference is made to actions to stimulate housing construction, actions to sustain capital investment, actions to reduce substantially personal income taxes, and actions to protect savings. I suggest that if those are not collective actions that tend to work against the problems of inflation, then I am not clear in my own mind what actions might so work. It is quite clear that they are actions designed for that particular purpose. So the implication that no action has been taken by the government in connection with the inflation problem is simply incorrect.

The other point that I think is worth making is that the actions that have been taken by the government in a number of instances were taken before actions undertaken by other governments of some major countries in the western world. I think this was where we showed leadership. Again I say that the question is not one of action versus inaction, but I suppose one could argue whether one form of action is more appropriate than another. To date the kinds of alternatives given to us by the opposition have really not amounted to very much in the form of substantial action.

● (2130)

I would also like to speak about the first part of this motion pertaining to the inference that we are wrong in connecting our problem with the world problem, and I quote:

. . . deplores the inaction of the government in the fight against inflation on the fallacious pretext that it is an international problem . . .

I repeat what I said last week; whether we like it or not, this is an international problem. The price of oil quadrupling is not only a Canadian problem but it is an international problem. The price of sugar having increased as substantially as it has over the past year, and now receding somewhat, is not a Canadian problem but an international problem. The cost of fertilizer to the Canadian farmer is not a Canadian problem but an international problem. The cost of binder twine, a very basic commodity which farmers use in great quantities to bind bales of hay and which is an imported commodity—it is not a Canadian problem that the price has tripled over a short period, but an international problem.

I think we have to realize that there have been international shortages of key commodities. There has also been a desire, and a proper desire, in my view, on the part of people in some of the underdeveloped countries to improve somewhat their way of life. I find it difficult for us to criticize that particular feeling on their part, and this invariably will reflect itself in their costs and the end prices at which they will sell their products to us.

I repeat that the problem is an international one. There are other examples. In the United States of America it took 80 years, from 1860 to 1940, for basic prices to double. From 1940 to 1975 they quadrupled. The point is that we cannot sit back and expect prices in this country not to move substantially when it happens to our important neighbour to the south.

There is one area where we do have some vulnerability. I think we are all concerned about the problem in relation to our own labour costs. There is no question that these costs are growing substantially, and we read that we are perhaps even leading the pack in this area. Yet it is very difficult to convince a labourer doing the same kind of work in the city of Windsor that he should earn less money than his counterpart living across the river in Detroit. It is very difficult to convince a street cleaner in Toronto or Montreal that he should work for less money than his counterpart in a city of equal size in the United States.

We do have problems in terms of total population and what we can afford. We must come to grips with these problems, but they are not easy problems, and it will take a combined effort by government, business and labour. I suggest that it has to be undertaken by virtue of a consensus. I think that we are trying to reach that kind of consensus and, until we do, the problem will remain with us.

With regard to inflation in the future I would like to emphasize again that the budgetary measures taken by our government in November will work their way through the economy over the coming months. I would like also to suggest that there are already signs on the horizon that the inflation period may be coming to an end. We may indeed be moving to the point where the back of this particular problem will be broken.

Before we get too contented and happy about that situation we must realize that we could be facing a more serious problem, or a problem equally as serious but with different complexities, and I refer to the potential problems of recession. Certainly our economy is not growing, nor are the economies of the western world, at the percentage rate one had envisaged a year or so ago. I think that this is an important point because this could be one of the last occasions on which we in this House will debate the problem of inflation in isolation from some of these other complexities. In connection with that I would like to quote a comment made by the Secretary of the Treasury of the United States this past Monday morning, when he was appearing before the Senate budget committee in the United States. He said:

There has been an obvious softening, for instance, in the price structure. Consumer prices are now climbing much more slowly than they were, and wholesale prices have fallen for three months in a row—the first such decline in eight years.

I would like now to move to the second part of the motion before us tonight where there is again criticism levelled at the government for failing to support the idea of putting a compensated price on all Canadian food produce.

[*Translation*]

Madam Speaker, ever since I have been sitting in the House, I have always had much respect for the views expressed by members from that side of the House and in my opinion they often deserve much consideration.

[*English*]

I say this because I am not prepared to say that this particular part of the motion in my view is wrong. I am simply saying that I see certain dangers in it which have not been addressed. For one thing, every time we accord a government outlay to support prices for a certain segment of the community, there is another segment of the community which must pay the bill. This means that we must look very carefully at any support we may give from time to time. I think that must be looked at in considerable depth, and analysed extremely carefully.

In this particular case we could be getting ourselves into something we are really unable to measure in terms of potential cost, potential involvement, how it would be handled, etc. I think, for this reason, that that suggestion would require very carefully measurement and consideration, particularly at a time when we are saying that it is probably unwise to aggravate the inflation disease. At this point, any massive government outlay of that kind would obviously have that kind of effect.

I think that the protection of the consumer is a very important matter at this time. It is a concept I am able to support. I think the manner in which we protect consumers and what kind of protection we are giving them, however, are things which must be carefully considered, not just for the sake of the person paying the bill but also for the person who is ostensibly receiving the benefit.

If we were to pump more tax money into any kind of support program to ensure reasonable food prices—whatever is deemed to be reasonable—we must carefully con-

sider what we are getting ourselves involved with, Madam Speaker.

To summarize, I have all due respect for the motion put forward by the Créditiste party—for whom, as I mentioned earlier in my remarks, I do have the greatest respect—and for the ideas I have heard them express, but I find myself unable to agree that my government has done nothing about the inflation problem confronting Canadians. Rather, it has taken some very positive measures in this regard which have been acknowledged by members of the western world community. There is some evidence of this in that our own Minister of Finance (Mr. Turner) has been elected chairman of the interim committee of the World Monetary Fund. There is also such evidence in the provisions of the November 18 budget.

● (2140)

Furthermore, Madam Speaker, I want to suggest once again that, in my view, the inflationary ogre may well be moving to a lesser position on our list of economic priorities.

I am unable to support the tenuous suggestion that the government should further shore up the economy by artificially supporting high food prices at a time when we are really looking at means by which we can keep prices and costs as low as possible.

Some hon. Members: Hear, hear!

Mr. Epp: On a point of order, Madam Speaker, the hon. member for Scarborough West (Mr. Martin), who just concluded his remarks, said that I had mentioned on previous occasions that he read his material. I should like to commend him tonight for not doing that. If the hon. member for St. Boniface (Mr. Guay) were to make the same contribution this would be a better place.

Mr. Guay (St. Boniface): Madam Speaker, I would like to say a few words on the same point of order. Here we had an example of a Liberal backbencher making a very constructive speech. If you were to compare that with the speech of the Leader of the Opposition (Mr. Stanfield) then I think the Leader of the Opposition should be complimenting this backbencher on a job well done.

The Acting Speaker (Mrs. Morin): Order, please. It being 9.45 p.m. it is my duty, pursuant to Standing Order 58(9), to interrupt these proceedings and forthwith put every question necessary to dispose of the motion now before the House.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Morin): All those in favour please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed please say nay.

Some hon. Members: Nay.

[Mr. Martin.]

The Acting Speaker (Mrs. Morin): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Morin): Call in the members.

The House divided on the motion (Mr. Matte) which was negatived on the following division:

● (2150)

(*Division No. 21*)

YEAS

Messrs.

Caouette (Villeneuve)
Dionne (Kamouraska)
Fortin
Gauthier (Roberval)
Lambert (Bellechasse)
Laprise
Matte
Oberle
Reynolds
Rondeau—(10)

NAYS

Messrs.

Abbott
Alexander
Alkenbrack
Allmand
Andras (Port Arthur)
Andres (Lincoln)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Baldwin
Balfour
Basford
Bégin (Miss)
Blais
Blouin
Breau
Buchanan
Caccia
Cadieu
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Corbin
Côté
Cullen
Cyr
Danson
Darling
Daudlin
De Bané
Demers
Dick
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Dubé
Duclos
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Fraser
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillies
Goodale
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Horner
Hurlburt
Isabelle
Jamieson
Jarvis
Jones
Joyal
Kaplan
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapointe
La Salle
Leblanc (Laurier)
Lee
Lefebvre
Leggatt
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacDonald (Miss) (Kingston and the Islands)
MacFarlane
MacGuigan
Mackasey
MacKay
MacLean
Macquarrie
Maine
Malone
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
Mazankowski
McCain
McCleave
McGrath
McIsaac
McKinley
McKinnon
McRae
Milne
Mitges
Morin (Mrs.)
Muir
Munro (Hamilton East)
Neil
Nicholson (Miss)
O'Connell
Olivier
Orlikow
O'Sullivan
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier (Sherbrooke)
Penner
Peters
Philbrook
Pinard
Poulin
Prud'homme
Railton
Raines
Reid
Richardson

Messrs.

Robinson	Stanbury	Tessier
Roy (Laval)	Stanfield	Towers
Saltsman	Stevens	Trudeau
Sauvé (Mrs.)	Stewart (Marquette)	Trudel
Scott	Stewart (Cochrane)	Turner (London East)
Sharp	Stollery	Watson
Smith (Saint-Jean)	Symes	Wise
		Woolliams
		Yanakis—(177)

[*Translation*]

Mr. Speaker: I declare the motion lost.

The House divided on the motion (Mr. Matte) which was negatived.

* * *

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES

Hon. Jean Chrétien (President of the Treasury Board) moved:

That supplementary estimates (D) 1974-75, laid upon the Table, Monday, March 3, 1975, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Chrétien thereupon moved that Bill C-55, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1975, be read the first time and printed.

Motion agreed to.

● (2210)

[*English*]

Mr. Speaker: When shall the said bill be read the second time?

Some hon. Members: Now.

Mr. Chrétien thereupon moved that Bill C-54, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1975, be read a second time and referred to the Committee of the Whole.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the bill takes the same form as those passed in previous years and does not provide for any additional borrowing power.

[*English*]

Mr. Baldwin: Mr. Chairman, I know the bill is not debatable and I will not attempt to debate it, but I want to point out that on a survey of the Schedule it appears to contain a larger percentage of $1 items in relation to the main items than any other bill I have ever seen.

Clauses 2 to 7 inclusive agreed to.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time? By leave, now?

Some hon. Members: By leave, now.

Mr. Chrétien moved the third reading of the bill.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

* * *

INTERIM SUPPLY

Hon. Jean Chrétien (President of the Treasury Board) moved:

That this House do concur in interim supply, as follows:

That a sum not exceeding $4,603,596,900.59 being the aggregate of:

(*a*) Three-twelfths of the total of all the items set forth in the Estimates for the fiscal year ending March 31, 1976, laid before the House of Commons on February 19, 1975, $3,919,682,567.25.

(*b*) An additional eight-twelfths of the total amount of Agriculture Item L30, Energy, Mines and Resources Item L50, Finance Item 20 and Transport Items L75 and L100 (Schedule A) of the said Estimates, $120,982,666.67.

(*c*) An additional five-twelfths of the total amount of Treasury Board Item 19 (Schedule B) of the said Estimates $20,000,000.00.

(*d*) An additional three-twelfths of the total amount of Energy, Mines and Resources Items 30 and 65, Environment Item 15, Privy Council Item 5, Transport Item 40, 50 and L70 and Urban Affairs Item 10 (Schedule C) of the said Estimates, $449,223,250.00.

(*e*) An additional two-twelfths of the total amount of Finance Item 5, Indian Affairs and Northern Development Item L80, National Health and Welfare Item 40, Secretary of State Item 10, Treasury Board Item 5 and Urban Affairs Item 15 (Schedule D) of the said Estimates, $61,699,666.67.

(*f*) An additional one-twelfth of the total amount of Consumer and Corporate Affairs Item 30, Labour Item 1, Manpower and Immigration Item 10, Secretary of State Item 15, Supply and Services Items 1 and 15 and Veterans Affairs Item 1 (Schedule E) of the said Estimates, $32,008,750.00.

be granted to Her Majesty on account of the fiscal year ending March 31, 1976.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion? The hon. member for York-Simcoe (Mr. Stevens) on a point of order.

Mr. Stevens: Mr. Speaker, my point of order is that there are no schedules, A, B, C, D and E, to the estimates to which you have referred.

Mr. Speaker: Order, please. The motion which has just been put is in reference to the supply bill just passed and the schedules therein contained.

Is it the pleasure of the House to adopt the said motion? The hon. member for Winnipeg North Centre (Mr. Knowles) on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I realize one must not quarrel with a statement of the Chair but the supply bill we passed was for 1974-75 and these are interim estimates for 1975-76. There is an explanation, but it is a better one than this.

Mr. Speaker: Is the said motion adopted?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Chrétien thereupon moved that Bill C-55, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1976, be read the first time and printed.

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

Mr. Speaker: When shall the said bill be read the second time? By leave, now?

Some hon. Members: By leave, now.

Mr. Chrétien thereupon moved that Bill C-55, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1976, be read the second time and referred to the Committee of the Whole.

● (2220)

Mr. Baldwin: Mr. Speaker, I want to know, without getting into debate, whether the minister will give the usual and traditional guarantee with regard to the moneys to be covered by the interim supply bill and if, in doing so, he will explain to us the provisions of clause 5.

Mr. Chrétien: Mr. Speaker, I will give the explanation when we are in committee of the whole.

Mr. Speaker: It is the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

On clause 2—$4,603,596,900.59 granted for 1975-76.

Mr. Chrétien: Mr. Chairman, the appropriations requested in this bill are intended to provide for all necessary requirements of the public service up to June 30, 1975. In no instances is the total amount of an item being released by this bill. The form of the bill is the usual one for interim supply bills. The passing of this bill will not prejudice the rights and privileges of members to criticize any item in the estimates when it comes up for consideration in committee, and the usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

[*Translation*]

Mr. Chairman, in reply to the hon. member for Peace River (Mr. Baldwin), I would like to say that item 5 constitutes the not unprecedented power to borrow up to $4 billions. We can trace back in similar bills passed in previous years a borrowing power and if my information is right, this power to borrow $4 billions is completely in accordance with the Standing Orders.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order. May I just point out that the schedules referred to in the resolution are the schedules that are attached to this bill.

Mr. Chrétien: The hon. member is right.

Mr. Stanfield: Of course he is right, he is always right.

Mr. Stevens: Mr. Chairman, my point of order is that the House should have a further explanation as to why the items covered in clause 2(b) are in fact being carried to the extent of eleven twelfths of the total estimate.

Mr. Chrétien: Which one does the hon. member refer to?

Mr. Stevens: Mr. Chairman, I am referring to clause 2(b), the eight twelfths of the total of the amounts of the several items in the said estimates set forth in schedule A, $120 million. This is an additional eight twelfths on top of the three twelfths which are passed in clause 2(a), so with respect to the estimates set out in schedule A we are passing tonight, eleven twelfths of the total estimate. I think that is virtually replacing any meaningful committee review of these estimates, and a further explanation should be given.

Mr. Chrétien: I think that the hon. member referred to Clause 2(a) and (b), and I think he referred to eleven twelfths. That is really in reference to annex (a), and the first one is agriculture. For his information the program is production and marketing, loans to finance the construction of an exhibition building. This additional eight twelfths is requested to meet substantial progress payments for projects in western Canada and eastern Canada.

Mr. Baldwin: You've gone to the metric system.

Mr. Stevens: Mr. Chairman—

Mr. Chairman: Order, please. I hope that we can keep to the point of order because it is my duty, according to the rules which we operate under at this stage of committee of the whole on this bill, to see that there is no debate. The hon. member can ask questions for procedural information, but I would not want to have a debate carried on from one side of the House to the other.

Mr. Chrétien: On the point of order, Mr. Chairman, there are a few items like that. I cannot enumerate all of them. They are in the Schedule. They are advance payments which we need right away because on those few programs we have to advance the money right away. We need the authority of the House to make those payments. The payments will be in the fiscal year 1975-76, but the payments here will be made in the first quarter of the year. That is why we are asking for the authority to spend nearly all the money, not three twelfths but eleven twelfths of it.

Mr. Woolliams: Mr. Chairman, on the same point of order—and I have raised this on other occasions—it would seem that tonight we are asked to approve things which have not been approved by the committee. We may be operating under the rules of the House, but I do not think half or three quarters of hon. members on all sides of the House really know what this bill is about. I would call it the biggest financial abortion ever to hit parliament.

Some hon. Members: Oh, oh!

Mr. Stanfield: An illegal abortion.

[*Translation*]

Mr. Fortin: On a point of order, Mr. Chairman.

The Chairman: Order. If the hon. member for Lotbinière (Mr. Fortin) rising on the same point of order?

Mr. Fortin: I am rising on another point of order, Mr. Chairman.

[*English*]

The Chairman: In reply to the hon. member I must say that I hope he is not reflecting on the Chair. This is a procedure which has been established by hon. members in the House of Commons, and it has to be followed by the Chair in the Committee of the Whole.

[*Translation*]

Mr. Fortin: The President of the Treasury Board (Mr. Chrétien) has explained very briefly Section 5(1) which pertains to the power to borrow $4 billions for public works or general purposes. Does the Minister mean that he is empowered to borrow $4 billion at an interest rate he cannot divulge for works that have not been approved by the House?

Mr. Chrétien: Mr. Chairman, this is an authority to borrow in the usual ways of the government. I said in my preliminary remarks on this bill that each committee will have the opportunity to make a detailed examination of those supplies and that the passing of this bill not prejudice in any way the members' right to ask questions about those expenditures when the ministers appear before the committees.

[*English*]

Mr. Stevens: Mr. Chairman, my point of order deals with clause 2(b). Could the President of the Treasury Board explain the urgency in having to pass eleven twelfths of this amount tonight, bearing in mind that there has been absolutely no committee review of this item whatsoever?

● (2230)

Mr. Reid: Mr. Chairman, the hon. member, under the guise of a point of order, is trying to ask questions of the minister. Surely our procedure is that when we proceed with the bill members can put their questions. It is the practice, under the Standing Orders, when the main estimates are before committee—

The Chairman: Order, please. Shall clause 2 carry?

Mr. Alkenbrack: Mr. Chairman, I have just one brief question for the President of the Treasury Board. On page 10 of the bill there appears item No. 10 under the Department of the Secretary of State, "Bilingualism Development—$106,845,000." May I ask if this sum is for expenditure in the public service only?

Mr. Chrétien: Mr. Chairman, the rule is that these questions will be asked in committee.

Mr. Woolliams: After you have spent the money. How ridiculous can you get?

Mr. Chrétien: Mr. Chairman, I am just following what has been the tradition of this House for years. I have guaranteed the right of the hon. member to ask those questions in committee. He just wants to put on a show tonight, and he wants to be president of the committee when—

Some hon. Members: Hear, hear!

The Chairman: Order, please. The hon. member for Calgary North on a point of order.

Mr. Woolliams: Mr. Chairman, I rise on a question of privilege. They can laugh and shout over there but they are spending $4 billion or $5 billion of Canadian—

Some hon. Members: Order, order!

Some hon. Members: Hear, hear!

Mr. Woolliams: If they think I was elected to put a rubber stamp on that kind of procedure, they are wrong. If the President of the Treasury Board thinks I am going to endorse that nonsense he is wrong.

An hon. Member: Oh, sit down!

Mr. Woolliams: The members of the government know it is a farce.

The Chairman: Order, please. I think if hon. members would take their seats for a few seconds it might be worth while to read the Standing Order. We do not sit in committee of the whole on supply and interim supply very often so maybe hon. members should be reminded of Standing Order 58(10), which reads as follows:

> On the last allotted day in each period, but, in any case, not later than the last sitting day in each period, at fifteen minutes before the ordinary time of daily adjournment, the Speaker shall interrupt the proceedings then in progress and, if those proceedings are not in relation to a no-confidence motion, he shall put forthwith successively, without debate or amendment, every question necessary to dispose of any item of business relating to interim supply,—

I have no choice but to invite hon. members to abide by the rule and not raise questions in the guise of points of order. Hon. members may have disputes and may disagree with the way we have to operate, but I have no alternative than to apply the rules. If hon. members have good and valid points I am ready to accept them, but if points of order are raised to seek information and ask questions, I have to consider them out of order. The hon. member for Moncton.

Mr. Jones: Mr. Chairman, I have something really serious that I want to bring up at this stage. It is a question of privilege and a point of order too. You have ruled, and I suggest we follow your ruling, but I do not belong to the committees and I do not have the right to vote in this committee.

An hon. Member: You are a member of this committee.

Mr. Jones: You will have an opportunity to speak when I am through. I do not have the right to speak in debate at this particular committee yet the President of the Treasury Board suggests I go to a committee on which I will not have an opportunity to vote. I do not think that is fair. If that is the procedure which has been adopted by this House, that procedure is incorrect and should be changed.

The Chairman: Order, please. I think the hon. member might have had a valid point of order if he had raised it when Mr. Speaker was in the chair. At present we are in the Committee of the Whole House. I am chairman of the committee. The hon. member's grievance is not related to the workings of this committee. The hon. member has always received the attention and help of the Chair and I am sure, if he were to raise his point of order when Mr. Speaker is in the chair, that he would receive the full co-operation of Mr. Speaker.

Mr. Stevens: Mr. Chairman, earlier I raised a point of order. I wanted the President of the Treasury Board to indicate the urgency for passing the eleven twelfths item to which I referred, bearing in mind that $150 million is at stake. I think the President of the Treasury Board was willing to answer.

The Chairman: Order, please. If I allow the question and allow the answer we shall be engaging in debate, which I do not have the authority to allow at this stage. It is my duty to put all questions necessary to the committee. The committee is to decide on them forthwith, so that the bill can be reported in the House.

Mr. Alkenbrack: Mr. Chairman, I am rising, not on a point of order, but simply to ask the President of the Treasury Board a straight question. I ask, is that sum for the public service only?

Some hon. Members: Order.

Mr. Chrétien: Mr. Chairman, I am afraid the rules do not allow me to answer.

Mr. Woolliams: They are Liberal rules, forced on us by closure.

Mr. Breau: You accepted them in December, 1968.

Mr. Woolliams: I did not accept them.

The Chairman: Order, please.

[*Translation*]

Mr. Lambert (Bellechasse): On a point of order, Mr. Chairman.

The Chairman: Order, please. Is the hon. member for Bellechasse rising on a point of order?

[The Chairman.]

Mr. Lambert (Bellechasse): Yes, Mr. Chairman.

The Chairman: The hon. member for Bellechasse on a point of order.

Mr. Lambert (Bellechasse): Since most hon. members are dissatisfied with this procedure, and nevertheless—

An hon. Member: Come to the committee.

Mr. Lambert (Bellechasse): Let me speak first, you can speak after me. My dear friend will speak after me. The Chair has just explained that according to the rules, no debate or amendment are to be allowed. But, we are certainly not a bunch of morons. We are being requested to vote estimates amounting to $4 billion. We are being told: "Vote now, and ask for explanations later". That is, in short, what it amounts to.

Therefore, since just about everybody seems to be satisfied with this procedure, could we not agree—

Mr. Leblanc (Laurier): The hon. member should do like us and attend the sittings of the committee.

Mr. Lambert (Bellechasse): Dear me, the members are so displeasing this evening. It is not because the government members have obtained the consent of the official opposition on a sensible motion which we introduced that they should be so displeasing, for God's sake.

Mr. Leblanc (Laurier): If you do not attend the sittings—

The Chairman: Order. I would invite the hon. member to complete his point of order as soon as possible. I also ask for the co-operation of the other members who want to help the Chair, but who are not doing anything to help us progress quickly. The hon. member for Bellechasse.

Mr. Lambert (Bellechasse): Mr. Chairman, I thank you for your assistance. My point of order was quite serious and still is. Nevertheless, the hon. member for Laurier is teasing us when he says: "Come to the committee, if you want to know what is going on."

Mr. Chairman, we are united and we know what is going on, but they want to make us believe that we do not. We know what goes on. In all seriousness, I should like to ask the President of the Treasury Board (Mr. Chrétien) whether, with regard to Annex E, we might have some information concerning the Food Prices Review Board: does the amount provided cover operating expenditures of the board or does it also provide for the extended mandate it will be given?

The Chairman: Order. I appreciate the point raised by the hon. member. Still, the hon. member must understand that his inquiry to the President of the Treasury Board is not in order. He must address it to the committee of the whole. If he wants this information, and to break the rule imposed to the committee by the House itself, he will have to get the unanimous consent of the committee. Is there unanimous consent to allow the hon. member a question?

Some hon. Members: Agreed.

Some hon. Members: No.

● (2240)

The Chairman: The hon. member can see that there is no unanimous consent. I shall therefore proceed immediately with the vote.

[*English*]

Clause agreed to.

Clauses 3 and 4 agreed to.

On clause 5—*Power to raise loan of $4,000,000,000 for public works and general purposes.*

Mr. Stevens: Mr. Chairman, I rise on a point of order. Can the President of the Treasury Board indicate what sums are now remaining unborrowed and negotiated in loans authorized by parliament?

The Chairman: Order, please. Again the rules do not permit debate. Asking questions is debate. If the hon. member wants to seek the unanimous consent of the committee, he should do so.

Some hon. Members: No.

The Chairman: From the answer I am getting from the other side, I would be surprised if the hon. member could get unanimous consent. The hon. member may have a procedural point of order concerning clause 5, but he cannot ask for information as far as the bill is concerned.

[*Translation*]

Mr. Fortin: Mr. Chairman I rise on a point of order about a very technical matter. I did not understand quite well when you stated the title and the number of this bill. Did you say Bill C-44 or Bill C-55?

The Chairman: I am sure the hon. member will be pleased to know that this is Bill C-55, not Bill C-44.

[*English*]

Clause agreed to.

Clause 6 agreed to.

On Schedule A.

Mr. Jones: Mr. Chairman, I rise on a point of order. When was notice given with respect to this bill? Was it when it came before the House?

An hon. Member: Where were you?

Mr. Jones: I have been here. Where have you been?

The Chairman: I did not get the point raised by the hon. member. Is he asking when notice was given?

Mr. Jones: When was the motion made to concur in an item of this nature? When was the notice given in writing?

The Chairman: Notice was given in Tuesday's notice paper.

Schedule A agreed to.

Schedules B to E inclusive, agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Alexander: Mr. Speaker, I rise on a point of order. I listened to my hon. friend from Calgary North raise his point of order, and I do not know how we got into this mess, but it seems to me very unrealistic that we have just spent $4 billion. The President of the Treasury Board (Mr. Chrétien) said that I have the opportunity to question these estimates. I respectfully state that we must look into this matter because I think it is wrong that we spend $4 billion in this way. I do not know what has happened, and no one on that side seems to care.

Some hon. Members: Oh, oh!

Mr. Alexander: I am on a point of order and until the Speaker tells me to sit down I am going to keep talking. I think this whole procedure has to be reviewed. It is a farce, a sham. It is just ridiculous that we spend $4 billion and no one can ask any questions. If this procedure does not call for review, then I do not know what is going on around here.

Mr. Speaker: Order, please. The hon. member for Hamilton West (Mr. Alexander) and others have raised points of order. The fact of the matter is that under the procedures now used by the House the question of the supply of money to the government, which is the subject matter of both bills before the House tonight, is predicated upon a previous procedure of examination of the spending estimates. Under that procedure the estimates, whether they be main or supplementary estimates, such as is the case with respect to these two bills, are examined in the standing committees.

There have been discussions in the procedure committee which have resulted in the presentation of a report which, according to remarks made earlier this afternoon by the President of the Privy Council (Mr. Sharp), would repatriate some of the examination of these estimates from standing committees to the floor of the House of Commons on supply or allotted days. This process of examination of the spending estimates which are in the schedules to the bills, and therefore the subject matter of the supply bills, is the continuing subject of discussion by that committee. The passage of these bills this evening must be predicated upon the previous opportunity of examining the spending estimates, which after all are the substance of debate either in standing committees or on the floor of the House.

Whether this is a satisfactory way of examining the spending estimates which lead into this supply process is a question that has been actively considered by the standing committee on procedure, and it is hoped that the experiment suggested in the report which will come before the House may be a satisfactory improvement. If it be not a wholly satisfactory improvement, other experiments may be attempted which, it may be hoped, will meet with the satisfaction of all members.

● (2250)

Mr. Stevens: Mr. Speaker, having heard the wording of your ruling I would ask your comments on Item 5—

Some hon. Members: Oh, oh!

Mr. Stevens: Mr. Speaker, Item 5 was not covered—

Some hon. Members: Order, order!

Mr. Stevens: Item No. 5 was not covered in the estimates which were referred, and I am wondering—

Some hon. Members: Order, order!

Mr. Speaker: Order, please.

Mr. Horner: Mr. Speaker, I rise on a point of order. I regret very much having to rise at this particular time on the point of order I intend to raise. My point of order is explicit. A debate has taken place for a full day in the House of Commons. A vote has taken place. If hon. members of this House of Commons want to get up and plead ignorance, or ask for the deletion of a particular debate or a part of the vote in which they participated, that may or may not be their prerogative. The rules of the House of commons specifically state that there is no excuse to be made in respect of how a person shall vote or how he has voted. All that reasoning should have taken place during the debate on the particular issue.

Some hon. Members: Hear, hear!

Mr. Horner: For you to entertain this discussion or this exercise in respect of what really has taken place today is completely out of order, Mr. Speaker, and I suggest that you rule it out of order and adjourn the House.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, with all due respect to my friend, the hon. member for Crowfoot (Mr. Horner), what has happened here tonight is unacceptable and—

Some hon. Members: Oh, oh!

Mr. Alexander: Just listen.

Mr. Speaker: Order, please. With all due respect to the hon. member for Hamilton West (Mr. Alexander), if he is again raising the same point of order which he was discussing earlier, I suggest we have disposed of it. If he has a fresh point of order I will be glad to hear it.

Mr. Chrétien moved the third reading of the bill.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

Mr. Speaker: Order, please. It being after ten o'clock, this House stands adjourned until 11 a.m. tomorrow.

At 10.56 p.m. the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME IV